

**AUDIT & STANDARDS COMMITTEE**  
**Tuesday 1 March 2022 at 7.30pm**  
**Council Chamber - Civic Centre**

**AGENDA**

1. Apologies for Absence and Substitutions
2. Declarations of Interest  
  
Councillors' declarations of interest (if any) in relation to any matters on the agenda.
3. Minutes (Pages 2 - 4)  
  
Minutes of the meeting held on 24 November 2021.
4. Matters Arising
5. Written Questions and Petitions
6. Non Contentious Business
7. Committee Work Plan (Page 5)
8. Period 11 Internal Audit Activity Report 2021/22 (Pages 6 - 24)
9. Internal Audit Strategy and Plan 2022/23 (Pages 25 - 50)
10. Risk Management Progress Report (Pages 51 - 57)
11. Audit and Standards Committee Work Plan and Training Programme 2022/23 (Pages 58 - 59)
12. References from other Committees  
  
Any references arising from meetings held after the publication of this agenda will be circulated separately.
13. Matters of Urgent Business  
  
To deal with any matters of an urgent nature.

**MINUTES OF THE AUDIT & STANDARDS COMMITTEE  
HELD ON**

24 November 2021

7.30 - 8.43 pm

**PRESENT**

**Committee Members**

Councillor Eddie Johnson (Chair)  
Councillor Colleen Morrison (Vice-Chair)  
Councillor Jean Clark  
Councillor Jodi Dunne  
Councillor James Leppard  
Councillor Matthew Saggars  
Councillor Chris Vince  
Laura Kirman, Independent Person

**Officers**

Natalie Hook, Senior Auditor  
Simon Freeman, Deputy to the Chief Executive and Director of Finance  
Sarah Marsh, Internal Audit Manager  
Adam Rees, Senior Governance Support Officer

17. **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Simon Carter.

18. **DECLARATIONS OF INTEREST**

None.

19. **MINUTES**

**RESOLVED** that the minutes of the meeting held on 16 June 2021 are agreed as a correct record and signed by the Chair.

20. **MATTERS ARISING**

Simon Freeman, Deputy to the Chief Executive and Director of Finance, provided an update on 2018/19 accounts. The Council's external auditor, BDO, had sent the Council further technical queries in July which needed to be resolved. The Council had taken advice from CIPFA and submitted a response to BDO in September.

The Council had eventually managed to meet with BDO on 24 November who had raised further queries and a follow up meeting was scheduled for 8 December.

If the technical issues could not be resolved, his advice to the Committee, would be that the council would follow the advice it had received from CIPFA in finalising the 2018/19 accounts but drew attention to the fact that this may not necessarily lead to a clean audit opinion being issued in respect of those accounts by BDO. It is likely that a special meeting would eventually be convened for the purpose of approving the 2018/19 accounts.

21. **WRITTEN QUESTIONS AND PETITIONS**

None.

22. **NON CONTENTIOUS BUSINESS**

None.

23. **COMMITTEE WORK PLAN**

The Committee received its current work plan.

**RESOLVED** that the work plan is noted.

24. **AUDITOR APPOINTMENT**

The Committee considered a report which recommended that the Council joins the national procurement process led by Public Sector Audit Appointments Limited (PSAA)

**RESOLVED** that the Committee recommended to Full Council that:

**A** The Council participates in the national procurement process led by Public Sector Audit Appointments Limited (PSAA) for the appointment of its external auditors.

**B** Delegated authority be granted to the Director of Finance, as the Council's statutory officer under Section 151 of the Local Government Act 1972 to formally give notice of the Council's intention to opt in to the PSAA procurement exercise.

25. **REVIEW OF AUDIT AND STANDARDS COMMITTEE EFFECTIVENESS AND TERMS OF REFERENCE**

The Committee received a report on the review of the effectiveness of the Committee and its terms of reference.

**RESOLVED** that the Committee:

**A** Agreed no changes are required to its Terms of Reference.

- B Considered the results of the review of effectiveness of the Audit Committee and noted progress against last year's action.

26. **EXTERNAL QUALITY ASSURANCE OF INTERNAL AUDIT AGAINST THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

The Committee received a report on the external quality of assurance of Internal Audit against the public sector internal audits standards.

The Committee noted that Internal Audit had met every standard and congratulated the team on their achievement.

**RESOLVED** that the Committee:

- A Agreed that Internal Audit complies with the requirements of the Public Sector Internal Audit Standards.

- B Noted the actions proposed to enhance the Internal Audit service.

27. **PERIOD 8 INTERNAL AUDIT ACTIVITY REPORT 2021/22**

The Committee received the internal audit activity report.

**RESOLVED** that the Committee:

- A Reviewed the outcomes of the work of the Internal Audit service for the period July to November 2021 and identifies any issues for further consideration.

- B Approved the revised Internal Audit Charter.

- C Approved the revised Anti-Fraud and Corruption Strategy.

28. **RISK MANAGEMENT PROGRESS REPORT**

The Committee received a report on risk management and the strategic risks register.

**RESOLVED** that the Committee noted the Strategic Risks, risk scores and variation against risk appetite as at 30 September 2021.

29. **REFERENCES FROM OTHER COMMITTEES**

None.

30. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE

## AUDIT & STANDARDS COMMITTEE WORK PLAN 2021/22

<b>01 March 2022</b>	
○ Period 11 Internal Audit Activity Report 2021/22	Sarah Marsh
○ Internal Audit Strategy and Plan 2022/23	Sarah Marsh
○ Risk Management Progress Report	Simon Freeman
○ Audit and Standards Committee Work Plan and Training Programme 2022/23	Sarah Marsh
<b>Standing Items</b>	
○ Register of Complaints which have been referred to Hearing Sub-Committee	Monitoring Officer
<b>Unallocated Items</b>	
○ Audited Annual Accounts 2018/19, 2019/20 and 2020/21 ○ External Auditors Audit Results Report 2018/19 (ISA 260), 2019/20 and 2020/21 ○ Management Letter of Representation 2018/19, 2019/20 and 2020/21	Simon Freeman
<b>Training Plan</b>	
01 March 2022- starts 6.30pm ahead of the Committee meeting	<b>Topic</b> The role of Audit Committee and Internal Audit

**REPORT TO:** AUDIT AND STANDARDS COMMITTEE  
**DATE:** 1 MARCH 2022  
**TITLE:** INTERNAL AUDIT ACTIVITY REPORT  
**LEAD OFFICER:** SARAH MARSH, INTERNAL AUDIT MANAGER  
(01279) 446884

**RECOMMENDED that the Committee:**

- A** Reviews the outcomes of the work of the Internal Audit service for the period December 2021 to March 2022 and identifies any issues for further consideration.
- B** Approves the carry forward of the following audits from the 2021/22 Internal Audit plan: treasury management, payroll and council housebuilding.

**BACKGROUND**

**Progress Against Audit Plan**

1. Work has continued on the 2021/22 Audit Plan as set out in Appendix A to the report.
2. The following three audits (subject to approval) have been carried forward into the 2022/23 Internal Audit plan (detailed elsewhere on the agenda) for the following reasons:
  - a) Treasury Management – this audit will take place once the new accountancy restructure has settled down.
  - b) Payroll – planned audit days have been used to assist payroll and finance in ensuring the new payroll and HR system (iTrent) is working as intended.
  - c) Council housebuilding – delivery of the house building programme has been reported to the Scrutiny Committee. Planned audit days have been used instead to help the Council develop its project and programme governance framework.

**ISSUES/PROPOSALS**

**Internal Audit Reports**

3. Two reports have been issued since the Committee received its last update in November 2021, and a number of audit reports are close to being finalised:

a) Cyber Security – moderate assurance

Cyber Security is the range of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage, or unauthorised access. These are essential in order that the Council is able to resist, respond to and recover from incidents that may affect the information it requires to operate. The following areas of good practice were noted:

- i) The review of cyber security protection verified that a Data Breach policy was in place outlining user responsibilities in the event of virus infection or the theft of Council equipment.
- ii) Furthermore, the Council network is protected by a vendor support and fully patched WatchGuard firewall appliance. The WatchGuard solution also provides inbuilt Intrusion Prevention to block malicious network traffic at source.

Internal Audit testing of user access management highlighted there was a lack of a process to regularly review and disable unused or inactive Active Directory accounts. This increases the risk of unauthorised access to Council systems and data by former employees. This has now been corrected.

Secure configuration settings are verified through annual external penetration testing. Penetration testing is a process commissioned by the Council that reviews security settings across all key Council systems and hardware. The Public Services Network (PSN) Code of Connection (CoCo) provides a minimum set of security standards that organisations must adhere to when joining the PSN. The audit disclosed that the Council's PSN Code of Connection had recently expired. This is known by ICT and steps are being taken to address the issue and renew the expired PSN Code of Connection.

A key element of Cyber Security is to ensure that Council staff are alert to potential security threats. This issue can be addressed both through staff training and the publication of information security policies. Audit testing found that the Council's information security training module had been withdrawn for review and revision.

A number of the weaknesses identified during the audit were addressed and corrected either at the time, or between the audit work being completed and the reporting cycle concluding.

b) Housing Benefits and Local Council Tax Support – Substantial assurance

There are robust controls over the assessment and award of Housing Benefit and Local Council Tax Support and there is a clear management trail of action taken on all claims.

Discretionary Housing Payments and backdated benefits are assessed fairly in line with Council policy and benefit regulations and processed accurately. Overpaid Housing Benefit is identified promptly and appropriate

recovery action taken. There are adequate procedures in place to ensure that irrecoverable debts are properly approved and written off.

Civica (benefits) is reconciled monthly to the general ledger system. Reconciliations of Civica (benefits) to Civica (council tax) and Orchard (housing rents) by the Finance team should be brought up to date to ensure any differences are promptly identified and corrected as these are currently five months behind.

### **Ongoing Audit Work**

4. Internal Audit continues to provide advice and guidance in a number of areas as detailed below:
  - a) Facilitating meetings of the projects and programme working group (chaired by the Director of Finance) which aims to implement a corporate project governance framework for all projects across the Council in response to the recommendations of the recent Capital Projects audit.
  - b) Co-ordinating discussions between key departments to ensure the Council has systems and processes in place to meet the DWP (Department for Works and Pensions requirement to implement Baseline Personnel Security Standard (BPSS) identity checks for all employees obtaining access to DWP data.
  - c) Internal Audit continues to provide assistance with the post payment assurance verification for Covid-19 grants as required by the Department for Business, Energy and Industrial Strategy (BEIS).
  - d) Supports the Data Protection Officer and the officer Information Governance Group with information governance matters, including ensuring compliance around Registers of Processing Activities, Freedom of Information and Subject Access requests.
  - e) Assisting the introduction of an online fraud reporting form, to enable anonymous reporting via the Council's website of suspected fraud to enhance the Council's approach for prevention and detection of fraud.
  - f) Continues overseeing the project plan for implementation of the new HR and payroll system, facilitating discussions between key departments to ensure there is a holistic approach to the project.
  - g) Co-ordinated the submission of the Council Tax and Electoral Register data for the National Fraud Initiative single persons discount data match in January 2022. Data matches will be reviewed by Revenues and Benefits.
  - h) Internal Audit is also providing advice and guidance to the Regeneration team, regarding the claims process for the Community Renewal Fund (CRF), a six-month project funded by government. Funding of around £466k has been received from Essex County Council to support the local economy to be in a better position, to bid and support local businesses in the town.

## Fraud Update

5. Revenues and Benefits continue to undertake investigation of the Vigilant matches for single resident council tax discounts. The total savings to date since data matching began in 2018 equates to £259,303, with £36,000 for 2020/21 and £35,000 for 2021/22 to date (end of December 2021).
6. The post of housing tenancy fraud officer is currently vacant and the Council is currently considering its options on how to provide this service going forward. In the interim, following Portfolio Holder approval, the Corporate Fraud Team at Epping Forest District Council will be undertaking fraud checks relating to all Right To Buys.

## Recommendation Tracker

7. The Audit and Standards Committee receives details of all overdue recommendations, plus any high priority recommendations from final reports, regardless of whether they are overdue or not.
8. The current tracker, as set out in Appendix B to the report, contains 21 recommendations which have passed their due date. A comparison with previous periods is outlined in the table below:

**Table One – Recommendation Tracker**

Recommendation Priority	Number (March 2022)	Number (November 2021)	Number (June 2021)	Number (March 2021)	Number (November 2020)
High - not yet due	0	0	2	3	0
High - passed due date	0	0	2	3	2
Medium - passed due date	16	14	16	12	12
Low - passed due date	1	1	0	2	1
<b>TOTAL</b>	<b>17</b>	<b>15</b>	<b>20</b>	<b>20</b>	<b>15</b>

## Progress Against the Annual Governance Statement (AGS)

9. The Corporate Governance Group (made up of the Director of Finance, Director of Governance and Corporate Services, Legal Services Manager, Insurance and Risk Manager, Relationship and Commissioning Manager and the Internal Audit Manager) continues to monitor the actions set out in the AGS on a regular basis, being a standing agenda item and reporting this upwards to SMB. The table below sets out the current position against the action plan:

**Table Two – Progress Against Action Plan**

Key improvement/ review area	Action to be taken in 2021/22	Progress as at March 2022
Ensuring the health and safety of staff, partners and the public in the way it delivers its services	As in 2020/21 the Council will keep under review Health and Safety measures both within the Council and across the district to ensure government legislation and guidance is being followed regarding the country's recovery from Covid-19, especially where the Council is delivering its services.	The majority of staff continue to work from home (and are still actively encouraged to do so). Safe working practices continues to be a priority for the Council especially for those coming into the office and staff working across the town.
New Administration  New ways of working	As a result of coronavirus staff have been encouraged to work in a more agile (remote) way. How this works in practice longer term will form part of the current accommodation review, drawing on feedback from the coronavirus working groups and kept under review by SMB.  In addition, SMB will work with the new Administration, and keep staff informed, of any changes in corporate priorities, ensuring governance arrangements remain robust.	A staff engagement survey was carried out on Harlow's behalf by the East of England Local Government Association (EELGA). The results are informing the Council's future plans, aligning to the Council's requirements for service delivery.  The new Corporate Strategy for 2021-23 was approved by Cabinet 02 December 2021 and Full Council on 09 December 2021.
Financial Management Code review	2020/21 saw the introduction of CIPFA's Financial Management Code 2019. A key goal of the Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management.  An assessment will be undertaken to ensure the Council can demonstrate compliance with the Code. Or if there are deficiencies, develop an action plan to address these.	This will be progressed once the Accountancy restructure has been completed and established.
Statement of Accounts	Due to both technical and resource issues (due to Covid-19) there has been a delay in	The Council continues to work with its advisor and External Auditors to resolve

Key improvement/ review area	Action to be taken in 2021/22	Progress as at March 2022
	<p>the final approval of the 2018/19 and 2019/20 accounts. This may impact on the approval of the accounts for 2020/21.</p> <p>The Council has met its targets for the publication of its draft accounts in all years. Delays are being created as a result of the lack of resources within the Audit Firms undertaking the external audit work.</p> <p>A restructure of the accountancy team and a review of Council processes will be undertaken to mitigate any internal risk to the production and approval of the Council's Statement of Accounts in future years.</p>	<p>the current issues. The 2018/19 Audit Results Report is currently awaited and is pending internal BDO Technical review.</p>
<b>Common theme from the Service Assurance Statements were:</b>		
Risk management and business/service planning	Work commenced in 2020/21 to better align service/business plans and risk management processes. This will continue in 2021/22	A new service plan/risk register has been trialled across the Council. This will be further refined now the Senior Management restructure has been concluded.
Project management processes – corporate approach	This will be progressed in 2021/22 by members of the Corporate Governance Group (CGG)	A project governance working group has been set up with key officers from across the Council meeting regularly to move this forward. The working group reports into CGG.

## **IMPLICATIONS**

### **Strategic Growth and Regeneration**

None specific.

**Author: Andrew Bramidge, Director of Strategic Growth and Regeneration**

### **Finance**

It is important that the organisation responds to and implements the recommendations flowing from the internal audit process in order to protect and improve the overall internal control environment of the Council.

**Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance**

### **Housing (Includes Property and Facilities)**

None specific.

**Author: Andrew Murray, Director of Housing**

### **Communities and Environment**

None specific.

**Author: Jane Greer, Director of Communities and Environment**

### **Governance and Corporate Services**

Internal Audit provides a key element of assurance within the overall Governance framework within the Council and it is important that recommendations flowing from internal audit recommendations are acted upon and implemented within reasonable timescales if reliance on internal controls and procedures is to continue.

**Author: Simon Hill, Director of Governance and Corporate Services**

### **Background Papers**

Internal Audit Plan and Internal Audit monitoring reports

### **Appendices**

Appendix A – Audit Plan Monitoring

Appendix B – Audit Recommendation Tracker

### **Glossary of terms/abbreviations used**

AGS – Annual Governance Statement

BEIS – Business, Energy and Industrial Strategy

BPSS – Baseline Personnel Security Standard

CGG – Corporate Governance Group

CoCo – Code of Connection

CRF – Community Renewal Fund

DWP – Department for Work and Pensions

EELGA - East of England Local Government Association

PSN - Public Services Network

**Appendix A - Audit Plan Monitoring 2021/22  
February 2022**

	Risk Area	Plan Days	Status	Fieldwork started	Report issued to Management	Finalised	Opinion: Level of Assurance	High risk Recommendations	Medium risk recommendations	Low risk recommendations
HTS (Harlow Trading Services) Best Value Review progress	Corporate	12	Final report	■	■	■	Substantial	0	1	0
Key Financial Controls - Housing Benefits	Finance	15	Final report	■	■	■	Substantial	0	1	0
Cyber security	IT	10	Final report	■	■	■	Moderate	3	8	0
Commercial rents follow up	Finance	3	Final report	■	■	■	n/a	0	0	0
Development Management	Planning	12	In progress	■	■					
Facility Management	Finance	15	In progress	■	■					
Waste - contract management	Environment	10	In progress	■						
HTS (Harlow Trading Services) Housing and Regeneration governance	Housing	12	In progress	■						
Housing overview - H&S inspections	Housing	15	Scoping							
Housing - HTS and annual service charge	Housing	15	Scoping							
<b>Defer (subject to approval)</b>										
Key Financial Controls - Treasury Management	Finance	10								
Key Financial Controls - Payroll	Governance	15								
Council housebuilding	Housing	15								
<b>Not a specific audit</b>										
Advice and guidance for Information Governance Group and Data Protection Officer	Governance	4	On-going							
Advice and guidance for the new HR system project	Governance	3	On-going							
Post implementation review of the new HR system	Governance	10	On-going							
Service/business planning and risk management	Finance	8	On-going							
Business grants - post assurance verification checks	Finance	0	On-going							
Business continuity follow up	Corporate	10	Completed							
<b>Totals</b>				<b>8</b>	<b>6</b>	<b>4</b>		<b>3</b>	<b>10</b>	<b>0</b>
H&S Health and Safety										

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

Last Updated: 11 February 2022

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
15 <b>Responsive Housing Repairs 2018/19 August 2019</b>	2(b)	Post inspections completed on more complex housing repairs should be formally documented and retained.	Medium	<p>Agreed. Customer Satisfaction Surveys are currently sent out to tenants on a sample basis. The sample size will be increased to ensure that the quality of repairs works is completed to a satisfactory standard.</p> <p>Post inspections completed on complex repairs works will be formally documented and retained</p>	HTS Operations Director and the Council's Assistant Director Housing and Property	30/09/19	<del>31/01/20</del> <del>30/04/20</del> <del>30/09/20</del> <del>31/01/21</del> <del>30/10/21</del> 01/04/22	<p><b>Oct 19:</b> HTS carries out a 100% post inspection regime on all housing voids it completes (with handover forms to demonstrate this). There are ongoing discussions with HDC over who should be carrying out more detailed Post Inspections on completed Housing Repairs. Traditionally this has been carried out by Technical Services who transferred from HTS and now work for HDC. We will provide a further update once this is resolved.</p> <p><b>Feb 20:</b> It has been agreed that HTS will carry out post inspections on repairs from 1<sup>st</sup> April 2020. These will be recorded formally.</p> <p><b>July 20:</b> A response will not be forwarded from HTS whilst they establish recovery under the current Coronavirus situation. This will be picked up as part of their recovery plans</p> <p><b>Oct 20:</b> HTS (P&amp;E) Ltd continue to establish recovery and aligned to recent Govt. restrictions (Tier 2 for Essex). This activity is recognised as a key quality control mechanism and is included in their implementation plan from learning the lessons from Covid 19 initial lockdown. This will be monitored through the shared operations group.</p>	Overdue

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

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19								<p><b>May 21:</b> HTS (P&amp;E) Ltd continue to establish recovery aligned to recent Govt. restrictions. A phased approach to internal inspections has recommenced and will be included in the HTS (P&amp;E) repairs recovery plans which is expected to be published in June 2021.</p> <p><b>Oct 21:</b> HTS continue to deal with the backlog of works and the issue of post inspection of works is now discussed at the Joint Operations meetings with HTS Directors</p> <p><b>Feb 22:</b> As response Oct21. HTS confirmed in a meeting held on 31/01/22 that they will be recommending Post inspections from the beginning of April 2022.</p>	
<b>Harlow Playhouse overspends 2018/19 March 2020</b>	1	Produce a report to SMB and Councillors to consider the direction of travel for the playhouse. To include consideration of the importance of the relationship with the Arts Council.	Medium	Business Plan has been produced and the process of getting the plan adopted has been included in the /corporate plan as an objective of the coming municipal year.	Director of Governance and Corporate Support	31/12/20	<del>31/03/22</del> 30/09/22	<p><b>Feb 21:</b> As a result of Covid-19, the 2020/21 milestones have moved to 2021/22 in line with the revised Governance business plan.</p> <p><b>May 21:</b> The Playhouse budget outturn will not be overspent for 20/21. As a result of Covid-19 the Playhouse has been shut most of the last year. Funding of £500k has been secured from the Arts Council as part of the Covid-19 culture recovery fund. The business plan has been delayed and is included in the Governance Service plan for 21/22.</p> <p><b>Oct 21:</b> All reports from external</p>	Overdue

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

Last Updated: 11 February 2022

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								<p>consultants have now been submitted, a review with Legal Services will take place at the end of October ready for draft to SMB by end of November.</p> <p><b>Feb 22:</b> A draft options appraisal has now been prepared and is being reviewed by the new Director and Assistant Director (in post from January 2022). This is currently being reviewed and refined. To review again in July 2022.</p>	
<p><b>Business Continuity 2019/20 May 2020</b></p>	<p>3</p>	<p>The recovery detail, both in the corporate plan and in the service area plans define the IT systems individually and specifically and a prioritised list for recovery for them developed.</p>	<p>Medium</p>	<p>Changes will be made as part of review process of the COVID 19 BC scenario and applications of plans and processes during this time.</p>	<p>Assistant Director Corporate Services and Senior ICT Manager</p>	<p>31/03/21</p>	<p><del>31/03/22</del> 31/07/22</p>	<p><b>May 21:</b> Team level Covid specific BC Plans were carried out in September 2020 and have been reviewed in March 2021; IT systems have been considered as part of these. Once plans for future ways of working are finalised new BC assessments will need to be carried out accordingly and this recommendation will be incorporated.</p> <p><b>Oct 21:</b> Work is underway on Future Ways of Working assessment and corporate structure review and new BC assessments will follow this; in the absence of specifically listed and prioritised systems these will be recovered in order or service delivery priorities as per the corporate BC plan.</p> <p><b>Feb 22:</b> Senior management review is now complete and</p>	<p>Overdue</p>

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

Last Updated: 11 February 2022

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
								changes took effect as of 1 January 2022. The corporate BC Plan will be updated to reflect this and will include individual system priority; in the absence of specifically listed and prioritised systems these will be recovered in order of service delivery priorities as per the corporate BC plan.	
<b>Business Continuity 2019/20 May 2020</b>  18	5	Training for key staff and plan holders should be undertaken. This includes more desk-top training, but also full scenario training.	Medium	Training will be most useful if it occurs after completion of Good Practice Action below	Assistant Director Corporate Services	31/07/21	<del>31/03/22</del> 31/07/22	<b>Oct 21:</b> An Essex Resilience Forum Working Group has been set up to service Business Continuity across Membership of the Forum and will look to provide training required.  <b>Feb 22:</b> The Essex resilience Forum Working group for Business Continuity will provide training and testing programme across Essex to ensure all authorities working at same level; which goes over and above the original recommendation for local level training.	Overdue
<b>Corporate Health and Safety 2019/20 May 2020</b>	2	A common and consistent H&S Training Matrix be adopted and used across the Council. Human Resources should be consulted as part of the process to ensure a consistent approach.  Responsibility should	Medium	A training matrix will be incorporated into the forthcoming health and safety management system. A proposal will be made to SMB regarding oversight of return of completed matrices	Assistant Director Environment and Director of Communities and Environment	30/09/21	30/06/22	<b>Oct 21:</b> Development with HTS of a comprehensive Health and Safety management system has been paused throughout the COVID-19 emergency as corporate Health and safety resources have been Substantially diverted to responding to continually changing COVID-19 risks. It is proposed to re-examine the viability of this work as the impact of the COVID-19 emergency fully abates	Overdue

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

Last Updated: 11 February 2022

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
		be given to Heads of Service to ensure their completed training matrices are submitted to the Council's Health and Safety Officer on a quarterly basis for review and ensure compliance.						<b>Feb 22:</b> The amount of additional work from Covid 19 appears to be abating. This will give the Health and Safety Team the opportunity to focus on completing the recommendation by the revised implementation date.	
<b>Harlow Gilston Garden Town 2019/20 July 2020</b>	1	To clarify the accountability and extent of any liability of each partner in the HGGT a signed overarching agreement between the councils should be prepared. This will include a data sharing agreement.	Medium	(1) Work is now well underway on the next steps to establish Combined Delivery Service following Board decision on 10 Feb 2020.  (2) Legal work is underway to clarify arrangements and delegations for the CDS. Link to HIG delivery and governance	HGGT Director HGGT Project Manager HGGT Programme Manager	(1) 31/03/21  (2) 30/09/21	<del>31/03/22</del> 30/09/22	(1) Political and corporate agreement to proposals by 31 March 2021 Shadow structures then up and running  (2) Formal decision making will need to follow the local election period – 30 September 2021  <b>Feb 21:</b> HGGT legal advisors, Weightmans, have been instructed to develop a data sharing protocol for the HGGT. The most appropriate agreement is currently being evaluated.  <b>Oct 21:</b> An HGGT Governance Review Task and Finish Group has been established. A series of meetings with HGGT Partner Leaders and Chief Executives, and the Task & Finish Group have been set up to take forward the formalisation of governance arrangements for HGGT.  The Task and Finish Group agreed for further work to be undertaken	Overdue

**Internal Audit Recommendation Tracker (Overdue)**

Last Updated: 11 February 2022

**Appendix B**

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
								<p>towards the establishment of a Joint Committee. The Leaders of the HGGT Partner Councils are keen for this work to take place at pace and are seeking to have formalised arrangements in place by March 2022.</p> <p><b>Feb 22:</b> Work is ongoing but given the scale and complexity, the timescales have been pushed back and now looking for formal approval of the new governance arrangements in the summer 2022 and operation of the new Joint Committee to commence in September 2022.</p>	
<b>Commercial Rents 2019/20 September 2020 (Re-issued October 2020)</b>	1b	Create a commercial property policy, which covers; how rent is set the types of lettings operated, the content of leases, renting, rent free periods, rent deposits, maintenance, voids, and collection of income. (This list is not exhaustive).	Medium	Agreed	Property and Facilities Manager in conjunction with the Assistant Director of Housing and Property.	31/01/21	<del>31/01/22</del> 30/06/22	<p><b>Oct 21:</b> The Property and Facilities Team have been utilising a number of checklists to guide the processes related to:</p> <ul style="list-style-type: none"> <li>• The grant of new leases;</li> <li>• Progressing of assignment requests;</li> <li>• Managing lease surrenders and expiries; and</li> <li>• Management of vacant properties</li> </ul> <p>An overarching policy/guidance document has been drafted to provide guidance for Officers and a framework under which they are to operate. A copy of the draft policy has been given to Internal Audit while waiting for Director of Finance sign off.</p>	Overdue

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

Last Updated: 11 February 2022

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
								<b>Feb 22:</b> A full commercial lettings policy has been prepared; Member scrutiny and adoption are to be progressed.	
<b>Commercial Rents 2019/20 September 2020 (Re-issued October 2020)</b>  21	6	Review management fees for all service charges. Ensure they are appropriate. Consider any RICS requirements when setting management fees. Finance can be asked to help in calculating management fees.	Medium	Agreed.	Property and Facilities Manager.	31/03/21	30/06/22	<b>Oct 21:</b> This is in progress. The Property and Facilities Manager has discussed the level of management fees with the Senior Services Accountant and will amend those where considered necessary as part of the year end (31 March 2022) service charge account reconciliation.  <b>Feb 22</b> This will be completed following the year-end service charge account reconciliations.	Overdue
<b>Equality Act and Impact Assessments 2020/21 February 2021</b>	3	To drive equality improvements and ensure buy-in from managers across the Council, there should be an 'equality champion' at Senior Management Board. Key messages from the Equality Working Group (EWG) should be reported to the Third Tier Managers meeting to be filtered down to staff.	Medium	<del>(a) Head of Governance to be Equality Champion' at Senior Management Board (SMB).</del> <del>(b) An EWG Group has been established.</del> (c) The Chair of EWG to develop key messages for the Third Tier Managers and their Teams.  (d) The EWG will be expanded to include participants from the	Director of Governance and Corporate Support/ Corporate and Democratic Services Manager	<del>(a) Completed</del> <del>(b) Completed</del> (c) 28/02/21 (d) May 2021 onwards	(c) 31/05/21 31/12/21 30/06/22  (d) 31/05/21 31/12/21 30/06/22	<b>May 21:</b> (c) This has not been progressed as quickly as needed due to continued work being undertaken on Corona pandemic and the Elections. This will now fall in line with (d) and will be underway by late May 2021  <b>Oct 21:</b> The EWG has meet on occasions to ensure the documents were agreed and ready to be presented at Cabinet.  However the EWG has not has the opportunity to meet over the summer due to seasonal issues which have impacted Officers workloads.  The dates for both (c) and (d) have	Overdue

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

Last Updated: 11 February 2022

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
				protected characteristics to work on the Action Plan and build on the other work required to meet the PSED.				been amended to Dec 21 to reflect this  <b>Feb 22:</b> Unfortunately the Service Manager leading on the EWG has not been able to arrange these meetings. This has now been taken to the Senior Management Board Meeting to discuss a way forward to ensure this important work is carried out as soon as possible.	
<b>Equality Act and Impact Assessments 2020/21 February 2021</b> 22	5	To comply with the Public Sector Equality Duty (PSED) the Council should publish annually its equality objectives and the progress made towards achieving them. This could be achieved through the publication of an Equalities Annual Report.	Medium	An interim report is being compiled for publication in April 2021.	Director of Governance and Corporate Support/ Corporate and Democratic Services Manager	30/04/21	<del>30/06/21</del> <del>31/12/21</del> 31/03/22	<b>May 21:</b> This is currently being developed and should be ready for publication soon.  <b>Oct 21:</b> The report has been compiled and is awaiting approval and to be finalised by the Communications Team. This will be completed by Dec 21  <b>Feb 22:</b> This has been delayed due to conflicting work with the Communications Team and now needs to be further updated. This will be completed by March 2022	Overdue

## Internal Audit Recommendation Tracker (Overdue)

## Appendix B

Last Updated: 11 February 2022

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
<b>Equality Act and Impact Assessments 2020/21 February 2021</b>	6	The process for assessing and recording the equalities impacts of policies (using an Equality Impact Assessment or other agreed methodology) should be clearly communicated as part of tailored training for staff and Members.	Medium	Provide a range of equality and diversity training and development to support staff deliver the Council's equality and diversity commitments.	Director of Governance and Corporate Support/ Corporate and Democratic Services Manager	31/12/21	30/04/22	<b>Feb 22:</b> A suitable training company is being sourced to do both Equality and Diversity Training and also training on filling in Equality Impact Assessments.	Overdue
<b>IT Disaster Recovery 2020/21 August 2021</b>	1	The IT Disaster Recovery plan should be reviewed and updated to accurately capture the recovery of all Council systems including new virtual or cloud-based applications.	Medium	Accepted. ICT recovery plans will be reviewed and updated upon completion of the next scheduled IT DR test.	Senior ICT Manager	31/12/21	31/03/22	<b>Feb 22:</b> The IT Disaster recovery plan is being reviewed and updated, for completion by the start of the new financial year.	Overdue
<b>IT Disaster Recovery 2020/21 August 2021</b>	2	Disaster Recovery plans should be supported by comprehensive and up to date technical recovery procedures.	Medium	Accepted.	Senior ICT Manager	31/12/21	31/03/22	<b>Feb 22:</b> As above, the IT Disaster recovery plan is being reviewed and updated.	Overdue
<b>IT Disaster Recovery 2020/21 August 2021</b>	5	All environmental hardware including UPS, fire suppression and air conditioning should be tested and serviced annually and records confirming this held.	Low	Accepted.	Senior ICT Manager Assistant Director Housing and Property	31/12/21	30/06/22	<b>Feb 22:</b> With the restructure responsibility for this has moved from the Director of Finance to the Assistant Director Housing and Property who is looking into this	Overdue

**Internal Audit Recommendation Tracker (Overdue)**

**Appendix B**

Last Updated: 11 February 2022

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
<b>Provision of IT Services to HTS 2020/21 August 2021</b>	1	Documented and agreed KPIs should be implemented at the next contract renewal together with penalty clauses which can then be used to assess the adequacy of ICTs service provision to HTS.	Medium	Agreed and accepted.	Senior ICT Manager	31/12/21	31/03/22	<b>Feb 22:</b> A service level agreement was drafted for HTS approval. The SLA includes two performance targets to be reported quarterly and monitored at the monthly contract meeting. Penalty clauses are included to cover poor performance for more than one month.	Overdue
<b>Provision of IT Services to HTS 2020/21 August 2021</b>	2	Contract negotiations between HTS and ICT for the continued provision of ICT technical support services should commence immediately.	Medium	Agreed and accepted.	Senior ICT Manager	31/12/21	31/03/22	<b>Feb 22:</b> HTS and ICT met 01 February. A Service Level Agreement has been drafted for HTS approval	Overdue
<b>Provision of IT Services to HTS 2020/21 August 2021</b>	4	Monthly contract / account meetings should be formalised, and discussions based on performance reports that capture KPIs (as outlined in recommendation 1) and which are also minuted with agreed actions documented.	Medium	Agreed and accepted.	Senior ICT Manager	31/12/21	31/07/22	<b>Feb 22:</b> Meetings will be formalised and documented as part of the contract management process. HTS has agreed to set up the meetings.	Overdue

24

**REPORT TO:** **AUDIT & STANDARDS COMMITTEE**  
**DATE:** **1 MARCH 2022**  
**TITLE:** **INTERNAL AUDIT STRATEGY AND PLAN 2022/23**  
**LEAD OFFICER:** **SARAH MARSH, INTERNAL AUDIT MANAGER**  
**(01279) 446884**

**RECOMMENDED that:**

- A** The effectiveness and contribution of the Internal Audit Strategy and Plan within the Council's assurance framework be considered;
- B** The Committee approves the Audit Strategy and Plan for 2022/23; and
- C** The Committee approves the change in individual report opinions for reports issued as part of the 2022/23 plan and onwards.

**INTRODUCTION**

1. The Internal Audit function provides independent and objective assurance and consulting services to Harlow District Council. This Internal Audit strategy summarises the key principles for Internal Audit for the period 2022/23, with some longer term aims. The strategy supports the Audit Plan which sets out the work of the Internal Audit service for the year.
2. Internal Audit supports and contributes to the achievement of the Council's corporate priorities, principles and values as set in their 2021-23 Corporate Strategy. These have been taken into account whilst developing the Internal Audit Strategy and Plan, especially the associated risk in delivering this vision.

Council vision (key strategic themes)

- a) Economic Growth
- b) Social Cohesion
- c) Safeguarding the environment
- d) An efficient Council

**ISSUES/PROPOSALS**

**Purpose**

3. The purpose of the Internal Audit Strategy and Plan is to document the Internal Audit team's approach to:

- a) Provide independent and objective assurance to councillors and senior management on the effectiveness of the Council's internal control framework.
- b) Ensure the recognition of the key risks the Council faces in meeting its objectives when determining and allocating the use of Internal Audit resources.
- c) Add value and support to senior management in providing effective control, whilst identifying opportunities for improving value for money.
- d) Deliver an Internal Audit Service that is compliant with the requirements of the Public Sector Internal Audit Standards.

### **Internal Audit Mission and Core Principles**

4. The Global Institute of Internal Auditors has developed an International Professional Practices Framework (IPPF) for auditors. The IPPF includes a mission statement and ten core principles which continue to be adopted by the Shared Internal Audit Service, and are listed below:

*Mission: To enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.*

*Core principles:*

1. *Demonstrates integrity.*
2. *Demonstrates competence and due professional care.*
3. *Is objective and free from undue influence (independent).*
4. *Aligns with the strategies, objectives, and risks of the organisation.*
5. *Is appropriately positioned and adequately resourced.*
6. *Demonstrates quality and continuous improvement.*
7. *Communicates effectively.*
8. *Provides risk-based assurance.*
9. *Is insightful, proactive, and future-focused.*
10. *Promotes organisational improvement.*

### **The Internal Audit Approach**

5. While Internal Audit provides assurance through completing a programme of planned work the service is also flexible and responsive to changing and emerging issues as happened during 2021/22 due to Covid-19.

6. Some audit work is delivered on a consultancy basis, contributing advice on risk and controls, for example ex-officio attendance at project meetings or undertaking a specific investigation of a newly identified issue.
7. The purpose, authority and responsibility of Internal Audit are formally defined in the Internal Audit Charter, which was approved by the Committee at its November 2021 meeting.

### **Key Deliverables**

8. The key deliverables for the Internal Audit service during 2022/23 are:
  - a) Delivery of the Audit Plan - the Internal Audit Manager will ensure there is sufficient audit coverage in order to provide an annual Internal Audit opinion and report, which feeds into the Council's Annual Governance Statement.
  - b) Integrated approach to assurance – Providing ongoing assurance to management on the integrity, effectiveness and operation of the Council's internal control, governance and risk management processes. Working with other assurance providers to prevent duplication of work.
  - c) Management commitment - Ensure agreed management responses to audit recommendations made are implemented thereby improving the overall control framework.
  - d) Continually develop our approach – To develop, improve and deliver a quality assurance and improvement programme for the service, including working closely with the Audit and Standards Committee and senior management.
  - e) Business insight - working closely with Officers, Members and services to establish greater relevance to what matter most to the Council by contemplating current and future key risks and challenges.

### **Protocol for Audit Reviews**

9. We will conduct each audit in line with our standard audit methodology which is aligned to the Public Sector Internal Audit Standards.
10. For each audit a Lead Auditee will be identified who will be involved in scoping to ensure the audit is appropriately focused on key risks areas, providing assurance and maximising added value. Terms of reference will be produced for each audit to

ensure the scope, objectives and approach are agreed with the appropriate Director and/or Assistant Director.

11. Following fieldwork a draft Internal Audit report will be issued for discussion with the appropriate levels of management which is normally set out in the terms of reference.
12. Final reports will be issued after the agreement of draft reports and will contain completed management actions plans identifying those responsible for their implementation and appropriate timescales.
13. Agreed actions or recommendations will be followed up through the Internal Audit tracker process. All high priority recommendations and any passing their original implementation date are reported to the Audit and Standards Committee.

### Opinion Ratings

14. In November 2021 CIPFA issued a briefing paper entitled 'Internal Audit Engagement Opinions – setting common definitions' to standardise the terminology and definitions used in internal audit reports across the sector. A comparison of what is currently used by the Internal Audit service and CIPFA's proposal is given in the table below.

**Table One – Internal Audit Service and CIPFA's Definition Comparison**

<b>Rating</b>	<b>Current (Harlow)</b>	<b>CIPFA recommendation</b>
Substantial	Overall, there is a sound system of control. Any weaknesses which put system/service objectives at risk will be minor and does not lead the Council to significant risk exposure.	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Moderate (Harlow) Reasonable (CIPFA)	Basically sound control, with areas of weakness, which put system/service objectives at risk. (Any high priority recommendations will prevent this level of assessment).	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in

		the area audited.
Limited	There are significant weaknesses in more than one key control area, which could put system/service objectives or the Council at risk.	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk.	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

15. Subject to Audit Committee approval it is proposed for audit reports issued as part of the 2022/23 Internal Audit plan and onwards the Internal Audit shared service adopts CIPFA's standard definitions as they are similar to those already in use. However, the current wording under moderate – *any high priority recommendations will prevent this level of assessment* - is retained.

### **Quality Assurance and Performance Management**

16. The Internal Audit Quality Assurance and Improvement Programme ensures the work of the Internal Audit function conforms with the Public Sector Internal Audit Standards (PSIAS), operates in an efficient and effective manner and is adding value and continually improving Internal Audit activity. This is achieved through internal and external assessment, monitoring, and reporting on performance.

17. In the summer 2021 the Internal Audit function underwent an External Quality Assessment (EQA), which, in line with the PSIAS, must be conducted every five years by a qualified, independent assessor from outside the Council. The EQA, which covered all three Councils in the shared service, confirmed the Internal Audit service conforms to the Public Sector Internal Audit Standards and the results communicated to November 2021 the Audit and Standards Committee.

18. To achieve planned coverage, deliver a high standard of customer care and demonstrate effectiveness of the service, performance targets have been established based on best professional practice.

19. The following service performance targets will be reported on in 2022/23 and are the same as used in 2021/22:

**Table Two – Service Performance Targets**

Aspect of Service	Performance Indicator	Target
Audit Plan	<ul style="list-style-type: none"> <li>Achievement of the annual Plan</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient Internal Audit work in order that the Internal Audit Manager can give their annual opinion.</li> </ul>
Internal Audit processes	<ul style="list-style-type: none"> <li>Issue of draft report after closing meeting</li> <li>Issue of final report after draft report is agreed</li> </ul>	<ul style="list-style-type: none"> <li>10 working days</li> <li>5 working days</li> </ul>
Effective management engagement	<ul style="list-style-type: none"> <li>Management responses within 10 working days of draft report</li> <li>Implementation of agreed audit recommendations</li> </ul>	<ul style="list-style-type: none"> <li>10 working days</li> <li>Within agreed timescales</li> </ul>
Continuous Professional Development (CPD)	<ul style="list-style-type: none"> <li>Auditors maintain and improve their knowledge, skills and other competencies through directed and self directed activities</li> </ul>	<ul style="list-style-type: none"> <li>40 hours of CPD activity per auditor</li> </ul>

**Developing the Internal Audit Plan**

20. The methodology for developing the Internal Audit Plan is focused on the quantification of the risks associated with the Council’s objectives in consultation with key officers. This process also takes into account:

- a) Knowledge and experience accumulated in Internal Audit, including the results of previous audits.
- b) A review of audit themes against the Corporate Risk Register and Council priorities.
- c) The work of other assurance providers both internally and externally.

- d) The external environment including economic climate, Covid implications, government initiatives such as welfare reform and changes in funding.
- e) Harmonisation of themes with Borough of Broxbourne Council and Epping Forest District Council to enable benchmarking and sharing of good practice.

21. It is imperative there is good alignment between the Internal Audit Plan and the risks facing each Council. Through this, Internal Audit's work will help inform each Council's risk management framework, enabling greater recognition of key mitigating controls and other sources of assurances available. Where possible the risks identified in the Audit Plan, as set out in Appendix A to the report, have been taken directly from the Council's Risk Register.

22. In addition, an assurance map, as set out in Appendix B, has been produced that provides a structured way to identify the main sources and types of risk assurances in the Council. This demonstrates sufficient Internal Audit work has either been undertaken or has been planned for the Council's key risks.

23. The Internal Audit Plan is indicative and changes may need to be made as the risk profile and priorities of the Council change. This will be achieved by ongoing review and amendment in consultation with relevant officers and any significant changes brought to the Audit and Standards Committee for approval.

24. It is important for Internal Audit to plan ahead and allocate resources over the medium term but still maintain a flexibility of approach. This is achieved by documenting known risks over a three year period so that the three year plan includes an indication of proposed audit work for years two and three, based on current known risks if circumstances remain unchanged. However, as new risks emerge audit resources over the medium term will be focused accordingly.

25. The sections of the Internal Audit Plan include:

- a) Corporate Framework – key risk areas including those defined in the Council's strategic risk register.
- b) Strategic themes – including cross cutting issues some of which will be incorporated within operational audits or will be undertaken through consultative work.

- c) Service areas – operational audits determined on a risk assessment and/or business priorities.

### **Priority Areas for 2022/23**

26. Having regard for the current risk profile of the Council the following have been identified as priority areas for Internal Audit work for 2022/23. These may not be audits in themselves, but cross cutting themes that will be fundamental to the scope of Internal Audit work undertaken.

- a) Risk Management – Internal Audit has a key role in promoting effective risk management and through its work continues to assist the Director of Finance in ensuring a robust risk management framework across the Council. The focus this year is assisting in strengthening the Council’s approach to service/business planning and risk management.
- b) Information Governance and Management - Internal Audit continues to work with the Council’s Data Protection Officer, helping to ensure and maintain compliance across the Council.
- c) Fraud – Internal Audit continues to support the Council’s anti-fraud and corruption policy and is pivotal in ensuring a joined up approach the Council.
- d) Value for Money (VfM) – A focus on VfM is reflected in Internal Audit’s work mainly as a cross cutting theme within operational audits, benchmarking where appropriate with Epping Forest and Broxbourne. Audits will consider how the Council makes the best use of resources and assets, the balance of cost and performance and meeting the needs of our residents; and providing challenge on whether services could be provided in a different way.
- e) Audit Planning, Strategy and Audit and Standards Committee Support – Internal Audit continue to work with the Audit and Standards Committee in developing its role in relation to best practice and to contribute to effective corporate governance of the Council.

27. At the operational level the key priorities of Internal Audit work in 2022/23 include:

- a) Harlow Trading Services (HTS) – Internal Audit continues to actively seek assurances on the adequacy of internal control, governance and the management of risks regarding HTS from the Council’s perspective being a key partnership.

- b) Key Financial Systems – the effectiveness of controls and management of risks with the core financial systems and processes remains a part of Internal Audit work. Audits have been scheduled on a cyclical basis so not all key financial systems will be undertaken each year.
- c) Governance frameworks – Internal Audit will continue to assist the Council in enhancing its governance framework especially around information governance and project and programme governance.
- d) Data analytics – upskilling the Internal Audit team to ensure better use of data analytics in its audits starting with payroll and expenses for 2022/23

## Resources

28. Internal Audit continues to be a formal shared service between Harlow, Epping Forest and Broxbourne Councils, with Broxbourne being the host authority and employer of the shared Internal Audit staff. A Shared Services Board meets quarterly to oversee the implementation and delivery of the Internal Audit function, monitor common issues or themes arising from audits, assess quality and performance and consider major changes to the service. The Board comprises of the Section 151 Officers from each authority as well as the Internal Audit Manager.

29. The Internal Audit function consists of the Internal Audit Manager (1.0 f.t.e), three Senior Auditors (2.65 f.t.e) and three Auditors (each 1.0 f.t.e). There are no vacancies and two of the auditors were taken on after successful completion of their apprenticeships. Everyone in the team works across all three authorities. In addition, the service has a call off contract with an external provider of Internal Audit to undertake more specialist audits when required.

## Audit Plan

30. The Audit Plan as detailed in Appendix A requires 354 days (compared to 370 for 2021/22 and 342 for 2020/21) as summarised in the table below:

Thematic Area	Audit days 2022/23
Assurance framework including governance, fraud, value for money and risk management	77
Cross cutting/themed audits	56
Operational audit	116
Follow Up work	24
Audit Committee Support including training	16
Advice, other engagement with the business and	65

Thematic Area	Audit days 2022/23
contingency	
<b>TOTAL</b>	<b>354</b>

## IMPLICATIONS

### Strategic Growth and Regeneration

None specific.

**Author: Andrew Bramidge, Director of Strategic Growth and Regeneration**

### Finance

Failure to achieve the audit plan may lead to a lack of assurance that internal controls are effective and risks properly managed.

**Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance**

### Housing

None specific.

**Author: Andrew Murray, Director of Housing**

### Communities and Environment

None specific.

**Author: Jane Greer, Director of Communities and Environment**

### Governance and Corporate Services

The responsibilities, duties and obligations of Internal Audit are set out in the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (2017) against which activity should be measured and determined.

**Author: Simon Hill, Director of Governance and Corporate Services**

### Background Papers

Public Sector Internal Audit Standards

Internal Audit Charter

CIPFA's Internal Audit Engagement Opinions – setting common definitions

### Glossary of terms/abbreviations used

CIPFA – Chartered Institute of Public Finance and Accountancy

EQA – External Quality Assurance

f.t.e. – Full Time Equivalent  
HTS – Harlow Trading Services  
IPPF - International Professional Practices Framework  
PSIAS - Public Sector Internal Audit Standards  
VfM – Value For Money

## **Appendices**

Appendix A – Harlow Internal Audit Three Year Plan (2021-22 to 2023-24)  
Appendix B – Harlow Risk Based Assurance Map

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
<b>Corporate Framework</b>					
<p>Governance &amp; Probity</p> <p>The corporate priorities are underpinned by the following principles: being the community leader, sound resource, management and equalities and fairness</p>	<p>The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk</p> <p>CR08 - Equality and Diversity</p>	✓	<p>Harlow and Gilston Garden Town (last audit 2019/20)</p> <p>Member expenses and allowances</p>	HTS (Harlow Trading Services) Group	<p>The theme here is to review effectiveness of governance and oversight arrangements.</p> <p>No specific audit is proposed for 2022/23 as HTS (Housing and Regeneration) was completed in 2021/22. Instead Internal Audit will retain oversight of governance through officer discussions and attendance at Corporate Governance Group (hence the tick in this box to signify there will be Internal Audit work in this area but is not formally defined).</p>
<p>Fraud</p> <p>Proactive fraud work</p>	<p>CR01 (Financial resilience) - any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery.</p>	✓	✓	✓	<p>Member of the Corporate Fraud Group. Oversee the delivery of the Council's anti-fraud and corruption action plan.</p> <p>Potential for fraud considered in all audits. Co-ordinate National Fraud Initiative data matching process.</p>
<p>Assurance Framework incl. Risk Management and support to Audit Committee</p>	<p>Risk in achieving corporate priorities</p>	✓	✓	✓	<p>Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Member of the Corporate Governance Group. Assistance provided to Head of</p>

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
					Finance and the Insurance and Risk Manager in enhancing and embedding the Council's risk management framework. Support and training to the Audit Committee.
Information Management and Governance - Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness	Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.	Active support to the officer Information Governance Group (IGG) and the Council's Data Protection Officer (DPO)	HTS General Data Protection Regulations compliance (last audit 2019/20)  Information Governance Group and support to the DPO	Data sharing with third parties (last audit 2016/17)  Information Governance Group and support to the DPO	Continue to assist the Council's Data Protection Officer (DPO) and officer Information Governance Group by providing assurance in targeted areas.
Performance Management: Data integrity & quality (collection, collation, analysis and validation). Use of performance targets	Risk of non-achievement of corporate priorities and lack of transparency.	Corporate Performance Indicators (PIs): underperformance	✓	✓	The suitability and integrity of Performance Indicators (PIs) is considered within operational audits.  The 2022/23 audit will look at in detail at those corporate PIs that regularly underperform to ensure the right PI is being used and is being calculated correctly before understanding the reasons for the underperformance and what is being done to address it.
Value for Money (VfM) - Guiding principle of the Council	VfM helps the Council manage its corporate risk CR01 financial	Analytical review - expenses (not an audit)  Service and	✓	✓	Value for money and use of benchmarking is considered in all audits. In 2022/23 Internal Audit will use data analytics to undertake short sharp focussed projects starting with

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
	resilience and the efficient Council strategic theme in the Corporate Strategy.	business planning (not an audit)			expenses as part of the payroll audit to build up expertise in the use of data analytics.  Also, working in conjunction with policy and performance, accountancy and risk services Internal Audit will continue to help the Council develop its approach to service and business planning ensuring this is integrated with budget setting and risk management processes.
Joint Working, Shared Services, Outsourcing, subsidiary companies and significant Partnerships	CR06 - Lack of resources and capacity, Council and key partners.	Harlow Trading Services	Harlow Trading Services  Gilston and Harlow Garden Town (last audit 2019/20)	Harlow Trading Services	The theme here is to ensure joint arrangements are working in the best interests for the Council with appropriate governance and monitoring arrangements in place. Focus each year will be on HTS through the operational audits detailed throughout the plan being the Council's most significant partnership.
Projects  Business case, project methodology, governance arrangements, contract management and viability	Poor project management increases the risk of projects not being delivered on time, to budget or does not meet the needs of the Council	Council housebuilding programme  Project and programme governance framework (not an audit)	Town centre projects and use of government funding  New housing IT system - progress check	IT projects and role of IT Governance	Time is set aside each year to examine a sample of projects. For 2022/23 this is ensuring there is a joined up approach regarding the Council's house building programme. In addition, Internal Audit continues to assist the Council in developing and embedding its project and programme governance framework.

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
Contingency	Annual provision for responsive work, special investigations and/or key/emerging risk areas	✓	✓	✓	Will also take into account themes/issues coming out of the Annual Governance Statement and completion of audits from the 2021/22 audit plan.
<b>Themed/cross cutting audits</b>					
Income Streams Sound resource management is one of the corporate plan principles	To ensure financial resilience the Council needs to protect and maximise its income streams (CR01)	See cash and banking under Key Financial Control audits	See Council Tax and Business Rates under Key Financial Control audits	Parking (last audit 15/16) See Housing Rents under Key Financial Control audits	Rolling programme of key financial control audits to ensure income to the Council is adequately protected.
Procurement  Themed audits could include-compliance, VfM, fraud, goods and services. End to end processes (need, selection, appointment, contract management & exit strategies)	Risks include non-compliance with legislation, fraud, not achieving value for money, poor service delivery.	Adherence to the Council's procurement strategy (not a specific audit)	Contract management and monitoring	Compliance with Contract Standing Orders	Not a specific audit in itself, instead in 2022/23 Internal Audit will ensure in relevant audits that officers are adhering to the Council's procurement strategy (which was approved by Cabinet in July 2020) including linkages to the Modern Slavery Act and the Council's climate agenda

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 <i>(to be finalised when the work is scoped)</i>
Health & Safety	Risk of compromising the health and safety of individuals and non-compliance with H&S legislation leading to fines or imprisonment.	Covered in the audit of Pets' Corner	Staff H&S for those located in buildings away from the Civic Centre or working outside of core business hours	H&S framework (last audit 2019/20)	As well as keeping a watching brief of H&S, Internal Audit will provide assurances on how H&S is managed as part of the Pets' Corner audits, being a more high risk area than the Council's offices and not previously audited.
Business Continuity Planning (BCP) and climate emergency response	CR11 Business resilience	Climate change strategy and action plan	Emergency Planning	Business Continuity (BC) planning (last audit 2019/20)	In 2022/23 Internal Audit will ascertain the Council's progress against its climate change strategy ensuring there are robust governance and reporting arrangements in place to support it
Key Financial Controls (KFC)  Four-year rolling programme of full system and key control audits (unless significant change in process/system or poor audit outcome)	CR01 (Financial resilience)	Payroll (last audit 2016/17) Treasury Management (last audit 2015/16) Cash and banking (2016/17)	Council Tax and Business Rates (last audit 2016/17) Debtors (last audit 2016/17)	Housing rents (last audit 2018/19) General Ledger (last audit 2017/18).	Rolling programme of key financial control (KFC) audits, therefore, some audits do not feature in this 3 year plan being housing benefits, creditor and fixed assets as these have been audited more recently.  Cash and banking is included in the Pets' Corner audit (see later on) and is not a discrete audit.

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
IT Audits: IT Governance, IT Regulation, Security/Privacy, Business Systems, DRP/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects	Risks around data and asset security and loss of service. Opportunity for IT to be an enabler for delivering the Council's priorities. Links to CR11 Business resilience	IT Strategy (last audit 2014/15)	Deep dive into a specific IT system e.g. Technology Forge or IDOX to ensure it is fit for purpose IT Disaster Recovery (last audited 2020/21)	Cyber security (last audit 2021/22) IT assets (last audit 2018/19)	A specialist IT Auditor will be brought in for more technical audits. In 2022/23 Internal Audit will assess how future proof the Council's IT strategy is, and adequacy of the supporting action plan and its linkage with budgets and assets
<b>Operational/service audits - Audits post 2022/23 may change depending on the Council's risk profile</b>					
Housing Operations (People): Housing Needs and Options, Supported Housing, Housing projects, Leah Manning Centre, housing assets and business systems, tenancy conditions, tenant and leaseholder engagement	CR04 - Lack of adequate Council housing	Service Charge Major Works repayment	Leaseholders and S20 works (last audit 2018/19)	Leah Manning Centre Allocations (last audit 2014/15)	In 2022/23 Internal Audit will assess the arrangements in place for leaseholders to pay for major works to ensure it is working for both parties. This will help inform the planned 2023/24 leaseholder audit
Housing and Property: Housing asset management	CR03 - Lack of suitable housing	Planned maintenance and major works (last	Housing property repairs and maintenance (last	Asset Management	The 2022/23 audit on planned maintenance and major works will include work being undertaken by

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
and facilities, surveying and technical services, estates management, non housing asset, property and facilities, office facilities, home ownership	<p>numbers and mix of housing</p> <p>CR04 - Lack of adequate Council housing</p> <p>CR09 - Provision of repairs, maintenance, landscape and Streetscene services</p>	audit 2016/17)	audit 2018/19) Commercial rents (last audit 2019/20)	Strategy delivery  Voids management (last audit 2013/14)	HTS and their use of business cases
Environment: Environmental Health, licencing, Street Scene and trees, health and safety, environmental management including carbon management and GIS	<p>CR06 - Lack of Resources and Capacity, Council and key partners</p> <p>CR09 - Provision of repairs, maintenance, landscape and Streetscene services</p>	<p>Houses of Multiple Occupancy (HMOs)</p> <p>Carbon management will be considered under the climate change strategy and action plan detailed earlier</p>	Tree maintenance strategy and action plan  Licencing (last audit 2016/17)	<p>H&amp;S framework (last audit 2019/20) – same audit as detailed above under H&amp;S</p> <p>Waste management (recycling)</p>	<p>The 2022/23 HMO audit will take place in Q1 to link with the Council’s review of the effectiveness of its HMO policy as set out in its Local Plan. The Local Plan, which was adopted in December 2020, requires this review two years after its adoption.</p> <p>The 2022/23 tree maintenance strategy audit will follow up the 2020/21 limited assurance parks and landscapes audit to ensure there is a joined up approach both across the Council and with HTS. However, Internal Audit will continue to monitor progress during 2022/23.</p>

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
Community resilience: Safer Harlow Partnership/ Community Safety, health and wellbeing, youth and citizenship, safeguarding, Pets' Corner, Sam's Place, Harlow Museum, Harlow Playhouse, arts, culture and tourism, economic growth and development (incl visitor economy), community engagement	CR05 - Inability to fulfil Community Wellbeing role CR07 - Ability to support children and family aspirations	Pets' Corner	Playhouse (last audit 2019/20) Community safety including Safer Harlow Partnership Events Management (last audit 2017/18)	Health and Wellbeing including role of the Health and Wellbeing Board Harlow Museum Sam's Place (last audit 2017/18)	The 2022/23 Pets' Corner audit will be a non-technical audit of the site to ensure adherence to a range of Council policies and procedures including health and safety, security, procurement practices, cash handling, use of volunteers and safeguarding. A similar approach will be taken for the Playhouse audit in 2023/24.
Regeneration: Regeneration projects, Council housing delivery	CR02 - The Harlow Offer CR04 - Lack of adequate Council housing CR10 - Inability to fulfil Community Leadership role	Council house building programme (last audit 2017/18)	Town centre projects	✓	The audit of the Council house building programme in 2022/23 and town centre projects in 2023/24 are the same audits as identified in the earlier project management section

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 (to be finalised when the work is scoped)
Planning and Building Control: Planning policy, development management, building control	CR02 - The Harlow Offer	Planning policy – see HMO audit under Environment above	Building control	Development management – quality of services provided to residents	The 2023/24 building control audit is as a result of the Council joining the Hertfordshire Building Control partnership subject to Council approval
Corporate Services: Communications and media/website, performance management, project support, complaints/FOIs, Customer Services, print unit, ICT, business continuity	Risk of corporate priorities not being met should these service areas fail to deliver. And fits in with the efficient Council strategic theme in the Corporate Strategy.	Covered elsewhere in the plan	Complaints (last audit 2018/19)	Freedom of Information and Subject Access requests	The 2023/24 complaints audit will ensure the two stage complaints process introduced January 2022 is working as intended for both the Council and complainants, and lessons learnt are identified and acted upon
Governance, HR and Legal: Corporate and Governance Support, Electoral services, HR, Legal Services, Local Land Charges	Risk of corporate priorities not being met should these service areas fail to deliver. And fits in with the efficient Council strategic theme in the Corporate Strategy.	See payroll audit under Key Financial Controls	HR - Staff performance management (including appraisal arrangements)	Staff absence (last audit 2017/18)	As well as the payroll audit in 2022/23, Internal Audit will continue to monitor progress of the iTrent system implementation as new modules are introduced such as expenses, time sheets, absence monitoring and training records.

Audit Area and Context	Corporate Risks	2022/23	2023/24	2024/25	Outline/Scope of work for 2022/23 <i>(to be finalised when the work is scoped)</i>
Finance: Finance and accountancy, Internal Audit, insurance and risk  Revenues and Benefits	CR01 - Financial resilience	See KFC audits above  Review of the accountancy function and Agresso upgrade (not an audit)  Covid business support grants (not an audit)	See KFC audits above	See KFC audits above	During 2022/23 Internal Audit will work with the accountancy function to ensure the new structure is working as intended and controls previously in place remain robust. Ditto for the proposed Agresso upgrade.  In addition, time has been set aside to provide assurances, if required, regarding the Council's distribution of central government's Covid business support grants
Follow Up Audits  Review of progress against recommendations on the tracker	Tracker process ensures risks identified in audits have been managed to an acceptable level	✓	✓	✓	Includes specific follow up work especially where Limited assurance has previously been given. Includes maintaining the recommendation tracker, which is reported at each Audit and Standards Committee.

Appendix B: Risk based assurance map for Harlow to support the 2022/23 Internal Audit Plan

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
CR01	Financial resilience	18 (amber)	Medium Term Financial Strategy, budget setting and monthly monitoring processes. Supporting policy and procedures including Financial Regulations and Contract Standing Orders	Council approval Medium Term Financial Strategy, annual budget setting and regular monitoring of the financial position	External Audit annual opinion on the Council's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources  Internal Audit undertakes a rolling programme of key financial control audits for example fixed assets in 2020/21 (moderate assurance) and accounts payable (moderate assurance). And has been advising on a new service plan template.
CR02	The Harlow Offer	13 (yellow)	Raft of activities and projects undertaken by dedicated Officers including town centre regeneration and Discover Harlow campaign	Town investment plan, Enterprise Zone delivery lead, Economic Development Strategy	2018/19 Economic Development audit (moderate assurance)  Internal Audit is assisting the Council in improving its project and programme governance

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
					framework following its moderate assurance 2020/21 capital programme audit
CR03	Lack of suitable housing numbers and mix of housing	14 (yellow)	Adoption of the Harlow Local Development Plan 2011-2033 December 2020 Delivery of the Harlow and Gilston Garden Town	Local Plan reporting to Cabinet with Council oversight The Chief Executive Officer and one Member sit on the Harlow and Gilston Garden Town Board.	Planning Inspectorate examination. 2019/20 Harlow and Gilston Garden Town audit (substantial assurance)
CR04	Lack of adequate Council housing	13 (yellow)	Raft of activities and projects undertaken by dedicated Officers Creation of Harlow Trading Services (Housing and Regeneration) company.	Housing Development plan. Modern Homes (Housing Investment) programme, Asset Management Strategy, Tenancy Strategy, Allocations Policy, Homelessness Strategy, Tenant and Leaseholder Engagement Strategy Scrutiny Committee receives report on the Council housing building programme	Audit of HTS (Housing and Regeneration) in progress. And an audit on the overview of housing H&S related inspections planned
CR05	Inability to fulfill Community	13 (yellow)	Harlow Wellbeing Strategy, Safer Harlow	Oversight by the Director of Communities and	2020/21 Equalities Act and use of impact assessments audit

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
	Leadership role		Partnership Consultation process/community engagement regarding discretionary services	Environment, who sits on the Safer Harlow Partnership Board. Health and Wellbeing Strategy. Regeneration Strategy	(limited assurance)
CR06	Lack of resources and capacity, Council and key partners	18 (orange)	Essex Waste Management Plan, Waste Collection Contract, Street scene 'contract' with HTS, Landscapes 'contract' with HTS, Town Park regeneration project, NEPP (North Essex Parking Partnership).	Shareholders Sub Committee oversees HTS arrangements HTS Best Value Review reported to Council Council representatives sit on the North Essex Parking Partnership Board Quarterly Joint Performance Review Meetings (JPRM) and Operations Board.	Waste contract audit currently in progress 2021/22 HTS (Harlow Trading Services) Best Value Review audit (substantial assurance) 2021/22 Provision of IT Services to HTS (moderate assurance) Internal Audit is monitoring progress against the 2019/20 parks and landscapes audit (moderate/limited assurance)
CR07	Ability to support children and family aspirations	9 (yellow)	Signposting for residents (often through ECC), partner agencies (statutory, voluntary, schools), promotion of and support to Harlow College and Anglia Ruskin University,	Director of Communities and Environment oversight	2017/18 Sam's Place audit (moderate assurance). 2018/19 safeguarding audit (limited assurance)

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
			Harlow Youth Council and Harlow School Readiness project and similar initiatives. Ensure council activities are available "virtually"		
CR08	Equality and Diversity	18 (amber)	Corporate Equalities Policy, Safeguarding Policies and Training, Equality training for all Officers and Councillors, Partnership working with the Health and Wellbeing Board, Procurement Strategy reflects values of 'fairness and equality', Men's Shed project 'time credit' scheme in conjunction with Essex County, Promotion of volunteering amongst Harlow's residents	Corporate Equalities Group Councillor champion for equality and diversity Director of Communities and Environment sits on the Health and Wellbeing Board	2020/21 Equalities Act and use of impact assessments audit (limited assurance). 2018/19 safeguarding audit (limited assurance)
CR09	Provision of repairs, maintenance, landscape and Streetscene services	18 (amber)	Service Agreement. Contract wording and specifications confirm contractor requirements. HTS	Monthly performance reviews involving Portfolio holders. HTS risk register reviewed at each quarterly	2018/19 audits of HTS strategic governance audit (substantial assurance) and housing repairs (moderate

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
			has regular reviews of Efficiency Plan and Risk Register.	SMB/HTS meetings Shareholders Sub Committee oversees HTS arrangements. HTS Best Value Review completed and reported to Council.	assurance). Internal Audit is monitoring progress against the 2019/20 parks and landscapes audit (moderate/limited assurance)
CR10	Inability to fulfil community leadership role	14	Climate emergency measures. Lobbying for new infrastructure (e.g. hospital and road network). Town centre improvements and funding. Town centre award.	Championed by the Chief Executive and Leader	Climate change strategy audit planned for 2022/23
CR11	Resilience and recovery	13	Emergency Planning, Business Continuity Plans including Disaster Recovery, Insurance Policies including Terrorism, Property maintenance plans, Engineering Inspection Contract, Statutory Testing of equipment, heating systems, electrical, Fire Risk Assessments, Cyber Security	Covid-19 Recovery Group Corporate Business Continuity Plan owned by SMB	2019/20 business continuity audit (moderate assurance) 2021/22 IT disaster recovery audit (moderate assurance) 2021/22 Cyber Security (moderate assurance) Internal Audit Covid-19 Grant assurance work

**REPORT TO:** **AUDIT AND STANDARDS COMMITTEE**

**DATE:** **1 MARCH 2022**

**TITLE:** **RISK MANAGEMENT REPORT**

**LEAD OFFICER:** **STUART MOSELEY, INSURANCE AND RISK  
MANAGER (01279) 446215**

**RECOMMENDED that:**

- A** The Committee notes the Strategic Risks, risk scores and variation against risk appetite as at 31 December 2021.

**BACKGROUND**

1. The Audit and Standards Committee's terms of reference includes the responsibility to monitor the effective development and operation of risk management within the Council.
2. The Council's Risk Management Strategy states that the responsibility of the Audit and Standards Committee is to:
  - a) Monitor the effective development and operation of risk management in the Council.
  - b) Understand, scrutinise and endorse the Council's risk management strategy and monitor the Council's risk appetite.
3. The Senior Management Board regularly review Strategic Risks to ensure they are satisfactorily aligned with the Corporate Priorities and Principles.

**ISSUES/PROPOSALS**

**Strategic Risks Update as at 31 December 2021**

4. The Council's Strategic Risk Register as at 31 December 2021 is set out at Appendix 1 to the report.
5. The simplified Risk Register presentation now includes Risk Appetite for each Corporate Objective rather than having a separate appendix.
6. It should be noted that risks which exceed the risk appetite threshold may not necessarily be poorly controlled but may be subject to factors outside the council's control.
7. Additional commentary is merited for the following Strategic Risks:
  - a) CR01 – Financial Resilience: There are strong financial controls and monitoring but the current risk scoring reflects the concerns linked to the

ongoing impacts of the Covid crisis, Government fiscal policy and the possible future requirement to call upon council reserves. The council has approved a three-year MTFP which currently projects a three year balanced General Fund Budget covering the 2022/23 – 2024/25 financial years and has established a Budget Resilience Reserve to help manage the short term local impacts of the Covid crisis.

- b) CR06 - Lack of Resources and Capacity, Council and key partners: HTS repairs and maintenance were reinstated following the challenges presented by Covid 19. The waste service provided by Veolia has been reviewed and as a result a rebalancing exercise has taken place to provide a more evenly distributed bin collection service throughout the week.
- c) CR08 – Equality and Diversity: the current risk score shows that, whilst likelihood of the risk materialising remains in line with risk appetite threshold, it is perceived that impact from the risk materialising would be more severe.
- d) CR09 - Provision of repairs, maintenance landscape and street scene services: The new HTS Group Ltd Business Plan, currently being developed, will demonstrate the required short term improvements for Housing Repairs and Environmental maintenance as well as the long term ambitions for growth across the Group.
- e) CR11 – Business Resilience: The Council has applied itself well to address both strategic and operational issues throughout the Covid 19 pandemic to ensure continuity of services and continues to keep this strategic risk under review and control.

### **Next Steps**

- 8. The Senior Management Board will undertake a review of the strategic risks to ensure they reflect the Council's new Corporate Strategy and strategic themes from 2022/2023 onwards.
- 9. Risk Appetite will also be reviewed as part of the corporate risk process.
- 10. In conjunction with the new council structure and performance management process, the Risk Strategy will be updated to reflect roles, responsibilities and procedures.

### **IMPLICATIONS**

#### **Strategic Growth and Regeneration**

None Specific

**Author: Andrew Bramidge, Director of Strategic Growth and Regeneration**

#### **Finance**

None Specific

**Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance**

**Housing**

None Specific

**Author: Andrew Murray, Director of Housing**

**Communities and Environment**

None Specific

**Author: Jane Greer, Director of Communities and Environment**

**Governance and Corporate Services**

Risk Management is an important part of the council's overall governance arrangements, therefore the Audit and Standards Committee should consider the adequacy of overall arrangements on a regular basis.

**Author: Simon Hill, Director of Governance and Corporate Services**

**Appendices**

Appendix 1 – Strategic Risks as at 31 December 2021

Objective	Risk Appetite Definition for Objective	Risk Appetite Reporting Threshold	Risk Name	Risk	Background	Likelihood	Impact	Risk Owner	Inherent Risk	Controls already in place	Residual Risk			Additional actions to mitigate risk (4Ts)
									Score		Likelihood	Impact	Score	
54 More and better housing	Open	13	CR03 - Lack of suitable housing numbers and mix of housing	If the town lacks sufficient housing and also does not provide a suitable housing mix, it will not attract or retain residents	The town requires a suitable housing mix to attract new and retain existing residents for an evolving and sustainable community. Supply must be balanced with demand and housing need, taking into account National Housing and Planning policies. As part of that mix, housing for local people that is genuinely affordable remains a high priority for the Council.	Lack of funding to build new homes. Lack of available land. Low land values. Lack of Local Plan (or non-approval due to failure to demonstrate Duty to Cooperate). Reluctance of housing developers to build out approved schemes will limit the supply of affordable housing as a proportion of private developments. Government policy in relation to social housing may limit the supply of affordable housing.	Lack of Local Plan could create lack of local control or direction, Lack of suitable housing may lead to people moving out of area. Inability to generate sufficient affordable housing. Impact on right population mix.	Andrew Bramidge	21	Local Plan Examination took place March/April 2019 and the inspector's initial report was received in December 2019, proposing his modifications of the Plan with adoption expected summer 2020. Due to the Covid 19 pandemic the consultation period on the modifications to the Local Plan was extended to the end of May. Following this, the Planning Inspectorate asked all local authorities to provide more evidence on household projections and this work took place during July and August. The Inspector's draft final report was received in October and the Local Plan was formally adopted at the Council meeting on 10 December 2020.	Unlikely (2)	Major (4)	14	Local Plan Examination took place March/April 2019 and the inspector's initial report was received in December 2019, proposing his modifications of the Plan with adoption expected summer 2020. Due to the Covid 19 pandemic the consultation period on the modifications to the Local Plan was extended to the end of May. Following this, the Planning Inspectorate asked all local authorities to provide more evidence on household projections and this work took place during July and August. The Inspector's draft final report was received in October and the Local Plan was formally adopted at the Council meeting on 10 December 2020.
			CR04 - Lack of adequate Council housing	If the Council does not provide adequate Council Housing it will not be able to fulfil housing needs.	Investment in the existing Council Housing stock is required to fulfil housing needs, maintain Decent Homes standards and improve housing conditions and Housing Options for tenants.	Lack of investment in Council Housing stock. Changes in government policy in relation to housing finance affects ability of the Council to maintain Decent Homes Standards.	Lack of suitable mix and quality of Council Housing stock. Increasing numbers on Housing Needs Register. impact on homelessness.	Andrew Murray	13	House repurchase scheme (45) adding additional Council housing stock approved by Cabinet in September 2020 was completed by 31 March 2021. Programme of buying properties through 141 receipts. Response to Covid-19 Pandemic continues with recovery Plans being reviewed and aligned to council priorities and governance. Bad debt provision reviewed as income recovery is monitored.	Moderate (3)	Moderate (3)	13	Scrutiny Committee at their March 2021 meeting approved a report on the Council's House Building Programme which was ratified by Cabinet at their March 2021 meeting. An action plan is being developed which will go back to Scrutiny February 2022.  House repurchase scheme (45) adding additional Council housing stock approved by Cabinet in September 2020 was completed by 31 March 2021. Programme of buying properties through 141 receipts. Response to Covid-19 Pandemic continues with recovery Plans being reviewed and aligned to council priorities and governance. Bad debt provision reviewed as income recovery is monitored.
			CR09 - Provision of repairs, maintenance landscape and streetscene services	If HTS (Property and Environment) Limited is unable to provide its contracted services, then Harlow Council may be unable to comply with its obligations with regards those services	Repairs, maintenance, landscape and streetscene services are currently contracted to HTS (Property and Environment) Limited. If HTS becomes unviable or finds itself unable to provide its contracted services, Harlow Council will need to arrange alternative provision of those contracted services to meet its obligation to residents	Capacity of HTS management to manage contractual obligations within agreed budget. Non-compliance with outsourced statutory obligations. Unsatisfactory delivery of contracted services. Capacity of HDC management to adequately monitor HTS performance.	Significant reputational, contractual and compliance implications if HTS are unable to comply with contracted obligations. Additional costs, fines or penalties from inadequate or unsatisfactory service provision. Financial impact if HDC are required to take management of HTS due to lack of capacity of HTS management. Procurement of new contractor(s) required if HTS became unsustainable as a business.	Andrew Murray	18	Covid-19 recovery plan approved by Member working group September 2020. Updated risk register with Covid-19 implications mitigated in October 2020. Updated Business Continuity Plan reviewed October 2020. Services Agreement 2017/18. Contract wording and specifications confirm contractor requirements. Monthly performance reviews involving Portfolio holders and three year Best Value review. HTS have regular reviews of Efficiency Plan and Risk Register. HTS risk register reviewed quarterly at SMB/HTS quarterly meetings. There are regular Governance Audits to ensure effectiveness and value for money. Last Audit March 2019 with outcome of Substantial Assurance. Response to Covid 19 Pandemic currently in place. Recovery Plans being reviewed and aligned to council priorities and governance. Work processes adapted to take account of Covid 19 guidance and risk assessment. Work from home arrangements have been and likely to continue in the short term. Bad debt provision being increased in the short term as benefit claims increase and lock down arrangements continuing.	Moderate (3)	Major (4)	18	Business Continuity Plans required relating to provision of the contracted services. The new HTS Group Ltd Business Plan, currently being developed, will demonstrate the required short term improvements for Housing Repairs and Environmental maintenance as well as the long term ambitions to grow the group. It is expected for the Business Plan to be approved by the Shareholder Committee (Shareholder Sub Ctte) in February 2022.

Appendix 1 - Strategic Risks as at 311221

Objective	Risk Appetite Definition for Objective	Risk Appetite Reporting Threshold	Risk Name	Risk	Background	Likelihood	Impact	Risk Owner	Score	Controls already in place	Likelihood	Impact	Score	Additional actions to mitigate risk (4Ts)
Regeneration and a thriving economy	Hungry	16	CR02 - The Harlow Offer	If the Harlow Offer is poor, then the town will fail to attract new or retain current businesses	A lack of private sector investment and/or disinvestment by retailers and landowners in the Town Centre could lead to a further decline in its attractiveness as a shopping and leisure destination. The Harlow Offer is key to retaining and attracting new investment in to the town	The macro economic impact on the retail sector is very uncertain. Low land values hinder investment. The retail sector has been significantly affected by Covid 19, and is unlikely to return to the position prior to the outbreak.	Delays or failure to deliver regeneration. Damaged reputation and perception towards the town. Potential loss of jobs and employment. Reduction in amount of income to the Council.	Jane Greer	18	Town centre improvements. Housing mix. Enterprise Zone delivery lead. Economic Development Strategy. Discover Harlow Campaign. Bid for Future High Street Fund funding submitted in July 2020. Town Investment Plan submitted 30/1/20. Government grants may support some businesses	Moderate (3)	Moderate (3)	13	Continued work with ECC to deliver road and transport infrastructure improvements. Develop forward plan for improving transport infrastructure in Harlow. Take forward EZ skills plan to support development of a skilled workforce. Town Centre public realm improvements.
Wellbeing and social inclusion	Moderate	8	CR05 - Inability to fulfill Community Wellbeing role	If the Council is unable to fulfil its community wellbeing role, then partnering and strategic opportunities may be lost, impacting the future of discretionary services	Discretionary services are dependent upon the Council's community leadership role which relies to some extent on co-production and co-operation of other agencies and organisations	Health and wellbeing of the community could be affected due to inability to bring together partners and agencies to deliver adequate services. Discretionary services budget likely to be restricted or removed.	Residents unable to access adequate services. Frustration of community cohesion. Perception of Harlow Offer could deteriorate.	Jane Greer	13	Safer Harlow Partnership, Regeneration Strategy	Moderate (3)	Moderate (3)	13	Crime and anti-social behaviour partnerships. Communications Plan (e.g. to tackle perceptions). Review of financial sustainability and delivery models of discretionary services. Health and Wellbeing Strategy will now be delivered by Autumn 2022
A Clean and green environment	Moderate	8	CR06 - Lack of Resources and Capacity, Council and key partners	If the resources and capacity of the Council and key partners are diminished, the Council may not be able to fulfil its community aspirations	Tension between expectations of residents, priorities and resources available for street cleaning, waste & recycling, unadopted highways maintenance & landscaping requires careful prioritisation and management of expectations	Lack of resources and/or capacity deliver services, failure to communicate objectives and initiatives, customer expectations not managed	Environmental services actions delayed, recycling rates stagnate or diminish, Resources diverted to reactive rather than proactive actions e.g. increase fly tipping. Reduced resident satisfaction.	Andrew Bramidge	18	Essex Waste Management Plan, Waste Collection Contract, Street Scene 'contract' with HTS, Landscapes 'contract' with HTS (however due to Covid 19 much of the landscape programme was frozen part of 2020/2021), Town Park regeneration project, NEPP. New Landscape Officer post recruited in January 2020.	Moderate (3)	Major (4)	18	Review the service specification with HTS and review the structure of the waste contract with Veolia. Budget review process.
			CR09 - Provision of repairs, maintenance landscape and streetscene services	If HTS (Property and Environment) Limited is unable to provide its contracted services, then Harlow Council may be unable to comply with its obligations with regards those services	Repairs, maintenance, landscape and streetscene services are currently contracted to HTS (Property and Environment) Limited. If HTS becomes unviable or finds itself unable to provide its contracted services, Harlow Council will need to arrange alternative provision of those contracted services to meet its obligation to residents	Capacity of HTS management to manage contractual obligations within agreed budget. Non-compliance with outsourced statutory obligations. Unsatisfactory delivery of contracted services. Capacity of HDC management to adequately monitor HTS performance.	Significant reputational, contractual and compliance implications if HTS are unable to comply with contracted obligations. Additional costs, fines or penalties from inadequate or unsatisfactory service provision. Financial impact if HDC are required to take management of HTS due to lack of capacity of HTS management. Procurement of new contractor(s) required if HTS became unsustainable as a business.	Andrew Murray	18	Covid-19 recovery plan approved by Member working group September 2020. Updated risk register with Covid-19 implications mitigated in October 2020. Updated Business Continuity Plan reviewed October 2020. Services Agreement 2017/18. Contract wording and specifications confirm contractor requirements. Monthly performance reviews involving Portfolio holders and three year Best Value review. HTS have regular reviews of Efficiency Plan and Risk Register. HTS risk register reviewed quarterly at SMB/HTS quarterly meetings. There are regular Governance Audits to ensure effectiveness and value for money. Last Audit March 2019 with outcome of Substantial Assurance. Response to Covid 19 Pandemic currently in place. Recovery Plans being reviewed and aligned to council priorities and governance. Work processes adapted to take account of Covid 19 guidance and risk assessment. Work from home arrangements have been and likely to continue in the short term. Bad debt provision being increased in the short term as benefit claims increase and lock down arrangements continuing.	Moderate (3)	Major (4)	18	Business Continuity Plans required relating to provision of the contracted services. The new HTS Group Ltd Business Plan, currently being developed, will demonstrate the required short term improvements for Housing Repairs and Environmental maintenance as well as the long term ambitions to grow the group. It is expected for the Business Plan to be approved by the Shareholder Committee (Shareholder Sub Ctte) in February 2022.
Successful children and young people	Cautious	5	CR07 - Ability to support children and family aspirations	If we are unable to support children and young people's (and their families) aspirations, this will adversely impact the skills and educational attainment of school leavers	Engagement of young people (and their families) and opportunities for all in education employment and the community will provide opportunities to raise aspirations and the current skill base	Lack of: leisure opportunities for children; youth services; health services; clubs e.g. scouts. Low levels of 'school readiness'.	Lack of educational attainment and aspirations leading to restriction in future employment opportunities for school leavers.	Jane Greer	13	Signposting for residents (often through ECC). Partner agencies (statutory, voluntary, schools), promotion of and support to UTC, ARU and college, Youth Council, Harlow School Readiness project and other similar initiatives. Ensure council activities are available 'virtually'	Unlikely (2)	Moderate (3)	9	Support creation and development of apprenticeships for young people, Engage with a range of partners to support families with complex needs, The Harlow School Readiness project has been extended across town

Appendix 1 - Strategic Risks as at 311221

Objective	Risk Appetite Definition for Objective	Risk Appetite Reporting Threshold	Risk Name	Risk	Background	Likelihood	Impact	Risk Owner	Score	Controls already in place	Likelihood	Impact	Score	Additional actions to mitigate risk (4Ts)
Being the Community Leader	Open	13	CR10 - Inability to fulfill Community Leadership role	If the Council is unable to fulfil its community leadership role, then partnering and strategic opportunities may be lost	The Council should take a leading role in promoting Harlow as a great place to live and work, and to champion the need for new infrastructure to enable Harlow to thrive	Lack of lobbying, promotion and funding. Lack of buy-in from stakeholders and partners	Stagnation, lack of town development and growth, lack of identity and recognition	Brian Keane	21	Climate Emergency measures, lobbying for new infrastructure e.g. hospital, road network. Town Centre Improvements and funding Town Centre Award	Unlikely (2)	Major (4)	14	Continue to lobby and liaise with stakeholders
Sound Resource Management	Cautious	5	CR01 - Financial Resilience	If a sustainable budget is not secured, then the Council will lack financial resilience	The Government's fiscal policy in respect of deficit reduction reducing public sector funding combined with the Council's limited ability to raise income could result in the Council's financial resilience being at risk. In addition uncertainty exists in respect of the Government's plans for local government funding reform and business rates retention	Options for increasing revenue to enable the Council to compensate for reduced Government Funding are becoming extremely limited. Given the budget reductions already made further budget savings will be extremely challenging if services are to be protected. Pressures are now evident not only in the General Fund but also the Housing Revenue Account as a result of Government policy on rents.	The impact of any further significant budget cuts to enable a balanced budget to be delivered could have a major impact on delivery of the Council's corporate objectives. Over the period of the MTFS there could be an impact on Council's ability to meet statutory responsibilities and community aspirations in respect of discretionary services.	Simon Freeman	21	Development of the Council's MTFS and the detailed planning of future budgets is now undertaken early in the financial year and is an on-going process rather than an annual review and is linked with the monthly Budget Monitoring process. The council has approved a three year MTFP which reflects that there are small projected budget gaps over the period 2021/22 to 2023/24. Ongoing uncertainty stems from both the proposals regarding the new Government Funding distribution methodology and the actual level of resources to be distribute through that mechanism. In addition, the impacts from Covid-19 are still unclear and could impact on baseline funding.	Moderate (3)	Major (4)	18	Whilst the pressures generated in the Council's grant income are largely driven by Government policy the financial situation continues to be monitored at a high frequency. The Administration will continue to be provided with detailed financial information and will be appropriately supported in reaching decisions upon how these financial challenges can be faced. The draft 2022/23 financial settlement is aligned with previous assumptions and the variations related to Covid are manageable within the specific funding earmarked for this purpose.
Equalities and Fairness	Moderate	8	CR08 - Equality and Diversity	If the Council does not promote Equalities and Fairness, Then residents and employees may not enjoy an environment that is free from discrimination, harassment, victimisation and bullying	The aims of equality and diversity are to ensure that everyone has access to the same opportunities and the same, fair treatment. The Council is committed to improving the outcomes for all and preventing any form of discrimination and works to meet all its legal duties under the Equality Act 2010 regarding equality and diversity	Decision making not open, transparent or fair. Lack of recognition of diversity of Harlow Reputation	Discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.	Brian Keane	23	Corporate Equalities Policy Safeguarding Policies and Training Equality training for all Officers and Councillors Partnership working with the Health and Wellbeing Board Procurement Strategy reflects values of 'Fairness and Equality' Men's Shed project 'time credit' scheme in conjunction with Essex County Promotion of volunteering amongst Harlow's residents.	Moderate (3)	Major (4)	18	Implement the Corporate Equalities Action Plan Publication of information relating to people who share protected characteristic who are employees and people affected by the Council's policies and procedures. Implement recommendations from the Religious Diversity Working Party.

Objective	Risk Appetite Definition for Objective	Risk Appetite Reporting Threshold	Risk Name	Risk	Background	Likelihood	Impact	Risk Owner	Score	Controls already in place	Likelihood	Impact	Score	Additional actions to mitigate risk (4Ts)
Resilience and recovery	Open	13	CR11 - Business Resilience	If the Council does not have adequate Business Continuity arrangements, then it may struggle to recover from disasters or emergencies	Having a comprehensive Business Continuity Plan ensures the Council is prepared for emergencies or business disruption events, facilitates protection of essential assets, minimises potential for loss of life and property and integrates multiple plans and procedures, thereby helping key stakeholders to make informed decisions and ensure timely recovery.	<b>Meteorological</b> (e.g. extreme temperatures - hot and cold- flood, lightning, snow and ice, storms); <b>Biological</b> (Food-borne illnesses, Infectious/communicable/epidemic/pandemic diseases); <b>Accidental Cause</b> (building/structure collapse, entrapment, explosion/fire, fuel/resource shortage, hazardous material spill or release, equipment failure, transportation incident, unavailability of key employees); <b>Intentional Cause</b> (arson, bomb threat, demonstrations/civil disturbance/riot, acts of war, cyber security incidents, robbery/theft/fraud, strike or labour dispute, suspicious package, terrorism, vandalism/sabotage); <b>Technological</b> (Hardware, software and network	People (Employees, Residents); Property (Civic Buildings, Housing, Commercial Property); Operations; Statutory Duties; Environment; Supply Chains, Reputation	Brian Keane	23	Emergency Planning, Business Continuity Plans including Disaster Recovery, Insurance Policies including Terrorism, Property maintenance plans, Engineering Inspection Contract, Statutory Testing of equipment, heating systems, electrical, Fire Risk Assessments, Cyber Security	Moderate (3)	Moderate (3)	13	BCP Training/communication/Testing
			CR11a - Business Resilience: meteorological events	If the Council does not have adequate Business Continuity arrangements in respect of adverse weather, then it may suffer business interruption or disruption when such an event occurs	Natural weather events cannot be controlled. Therefore, the council should be prepared through Business Continuity Planning and adequate risk management for adverse weather conditions which could affect property, disrupt council operations or necessitate council's assistance to Harlow residents	Meteorological (e.g. extreme temperatures - hot and cold- flood, lightning, snow and ice, storms)	People (Employees, Residents); Property (Civic Buildings, Housing, Commercial Property); Operations; Statutory Duties; Environment; Supply Chains, Reputation	Brian Keane	8	Winter weather plans	Moderate (3)	Minor (2)	8	
			CR11b - Business Resilience: biological events	If the Council does not have adequate Business Continuity arrangements in respect of illnesses and disease, then it may suffer business interruption or disruption when such an event occurs	The council should be prepared for biological risks such as food-borne illnesses and infectious/communicable diseases/pandemics to minimise disruption to council operations and coordinate local response where required.	Biological (Food-borne illnesses, Infectious/communicable/epidemic/pandemic diseases)	Employees and residents could become ill; Civic and commercial buildings may need to be shut, have restricted access or be repurposed. Housing property may be subject to restrictions, rules or guidelines; Operations may be affected; Statutory Duties may be more difficult to fulfill; Supply Chains may be affected; Reputation may suffer or improve.	Brian Keane	23	Covid-19 Response and Internal Recovery Group Cross party COVID-19 Recovery Working group Risk Assessments, working from home guidance Environmental Health operations (foodborne illnesses, such as salmonella or E. Coli, can usually be minimised by correct food processing and handling techniques)	Moderate (3)	Moderate (3)	13	Continue to monitor Covid-19 situation and Government direction Develop Covid-19 response and recovery plans for generic epidemic/pandemic event
			CR11c - Business Resilience: accidental cause	If the Council does not have adequate Business Continuity arrangements in respect of accidental events, then it may suffer business interruption or disruption when such an event occurs	Human-Caused risks vary degrees of severity. Accidental Human-Caused events can be avoided or mitigated through adequate risk management and adherence to standards plus adequate business continuity arrangements.	Accidental Cause (building/structure collapse, entrapment, explosion/fire, fuel/resource shortage, hazardous material spill release, equipment failure, transportation incident, unavailability of key employees)	People (Employees, Residents) may be locked out of buildings. People could be injured; Property could be damaged; Operations could be restricted; Statutory Duties may be more difficult to achieve; Environment could suffer; Supply Chains might be disrupted; Reputation could suffer	Brian Keane	19	Property maintenance plans Electrical and Gas statutory inspections Engineering Inspection Contract Insurance Policies Emergency Planning Fire Safety Plans Safety Committee	Unlikely (2)	Moderate (3)	9	
			CR11d - Business Resilience: intentional cause	If the Council does not have adequate Business Continuity arrangements in respect of intentional or malicious events, then it may suffer business interruption or disruption when such an event occurs	Human-Caused risks vary degrees of severity. Intentional Human-Caused events can be difficult to predict and minimize but business continuity arrangements may minimise disruption or interruption to operations if such an event occurs.	Intentional Cause (arson, bomb threat, demonstrations/civil disturbance/riot, acts of war, cyber security incidents, robbery/theft/fraud, strike or labour dispute, suspicious package, terrorism, vandalism/sabotage)	People (Employees, Residents) may be locked out of buildings or locked in. Employees could be attacked; Property may be attacked and damaged; Operations could be restricted; Statutory Duties may be more difficult to achieve; Supply Chains might be disrupted, Data breach could occur, Reputation could suffer	Brian Keane	6	Emergency Planning Disaster Recovery Plans Terrorism Insurance	Rare (1)	Moderate (3)	6	
			CR11e - Business Resilience: technological events	If the Council does not have adequate Business Continuity arrangements in respect of the technology it uses, then it may suffer business interruption or disruption when such an event occurs	Technological risks to business are increasingly common due to a growing reliance on technology. The council should ensure it has necessary prevention measures in place and effective plans to minimise disruption or interruption to operations	Technological (Hardware, software and network connectivity interruption, disruption or failure, utility interruption, disruption or failure)	Employees may be unable to connect to systems, Council may be unable to provide online services, Residents may be unable to access website, contact the council or make payments to the council; Operations may be affected; Reputation	Brian Keane	13	Disaster Recovery plans IT Maintenance and security testing (preventative measures) Back-up generator and testing Computer insurance	Unlikely (2)	Minor (2)	5	Further IT systems improvements to increase resilience. Continue to maintain and upgrade existing software and hardware.

## **AUDIT & STANDARDS COMMITTEE WORK PLAN 2022-23**

<b>June 2022</b>	
○ Audit and Standards Committee Annual Report 2021/22	Sarah Marsh
○ Internal Audit Annual Report 2021/22	Sarah Marsh
○ Period 2 Internal Audit Activity Report 2022/23	Sarah Marsh
○ Risk Management Progress Report	Simon Freeman
○ Annual Governance Statement 2021/22	Simon Freeman
<b>July 2022</b>	
○ This meeting is traditionally set aside for presentation of the previous year's Audited Annual Accounts	Simon Freeman
<b>November 2022</b>	
○ Period 8 Internal Audit Activity Report 2022/23	Sarah Marsh
○ Review of Internal Audit Charter	Sarah Marsh
○ Review of Audit & Standards Committee Effectiveness and Terms of Reference	Sarah Marsh
○ Review of Code of Corporate Governance	Sarah Marsh
○ Review of Anti-Fraud and Corruption Strategy	Sarah Marsh
○ Risk Management Progress Report	Simon Freeman
<b>March 2023</b>	
○ External Auditor - Audit Plan 2023/24	External Auditor
○ Internal Audit Strategy and Plan 2023/24	Sarah Marsh
○ Period 11 Internal Audit Activity Report 2022/23	Sarah Marsh
○ Audit & Standards Committee Work Plan and Training Programme	Sarah Marsh
○ Risk Management Progress Report	Simon Freeman
<b>Standing Items</b>	
○ Register of Complaints which have been referred to Hearing Sub-Committee	Monitoring Officer

## AUDIT & STANDARDS COMMITTEE WORK PLAN 2022-23

Unallocated Items	
<ul style="list-style-type: none"> <li>○ Audited Annual Accounts 2018/19, 2019/20 and 2020/21</li> <li>○ External Auditors Audit Results Report 2018/19 (ISA 260), 2019/20 and 2020/21</li> <li>○ Management Letter of Representation 2018/19, 2019/20 and 2020/21</li> <li>○ Annual Report on the Certification of Grant Claims and Returns (including fees)</li> </ul>	Simon Freeman
Audit Committee Training Plan	Topic
<b>June 2022</b> – starts 6.30pm ahead of the Committee meeting	The role of audit committee and Internal Audit
<b>November 2022</b> – starts 6.30pm ahead of the Committee meeting	Anti-fraud and corruption
<b>March 2023</b> – starts 6.30pm ahead of the Committee meeting	Assurance frameworks