

Public Document Pack
SOUTHEND-ON-SEA CITY COUNCIL

Audit Committee

Date: Wednesday, 23rd November, 2022

Time: 6.30 pm

Place: Council Chamber - Civic Suite

Contact: Robert Harris

Email: committeesection@southend.gov.uk

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- 2 Declarations of Interest**
- 3 Minutes of the Meeting held on Wednesday, 20th July 2022**
- 4 Annual Report on Comments, Complaints and Compliments 2021/22**
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 - CIPFA Audit Committee Update 36 (August 2022)

Chair & Members:

Cllr M Dent (Chair), Cllr I Shead (Vice-Chair), Cllr H Boyd, Cllr K Buck, Cllr T Cox, Cllr M Davidson, Cllr A Line, Cllr R McMullan, Cllr K Murphy and K Pandya

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SOUTHEND-ON-SEA CITY COUNCIL

Meeting of Audit Committee

Date: Wednesday, 20th July, 2022
Place: Council Chamber - Civic Suite

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Present: Councillor M Dent (Chair)
Councillors H Boyd, K Buck, T Cox, M Davidson, R McMullan,
K Murphy, K Pandya and *M O'Connor

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: A Barnes, R Harris, J Burr, J Chesterton and S Dutton

Start/End Time: 6.30 - 8.25 pm

173 Apologies for Absence

Apologies for absence were received from Councillor Shead (no substitute) and Councillor Line (substitute: Cllr O'Connor).

174 Declarations of Interest

The following interests were declared at the meeting:

Councillor Davidson – Minute 176 (Head of Internal Audit Annual Report – Non-Executive director of South Essex Homes (SEH)).

175 Minutes of the Meeting held on 27th April 2022

Resolved:

That the Minutes of the Meeting held on 27th April 2022, be confirmed as a correct record and signed.

176 Head of Internal Audit Annual Report 2021/22

The Committee considered a report of the Executive Director (Finance and Resources) providing the following information for the 2021/22 financial year:

- The rationale for and an audit opinion on the adequacy and effectiveness of Southend-on-Sea City Council's (the Council's) risk management, control and governance processes; and
- a statement on conformance with the UK Public Sector Internal Audit Standards (the Standards) and the results of the Quality Assurance and Improvement Programme.

The Committee asked questions which were responded to by officers.

Resolved:

That the Head of Internal Audit's Annual Report for 2021/22, be accepted and confirmed that the opinion of the Head of Internal Audit can be relied upon as a key source of evidence to support the Annual Governance Statement.

177 Counter Fraud and Investigation Annual Performance Report 2021/22

The Committee considered a report of the Executive Director (Finance and Resources) presenting the Counter Fraud & Investigation Team (CFIT) Annual Report 2021/22 and updating on progress made by CFIT in delivering the Counter Fraud Strategy and Work Programme for 2022/23.

The Committee asked questions which were responded to by officers.

Resolved:

That the performance of the Counter Fraud & Investigation Team over 2021/22 and the first quarter of 2022/23, be noted

178 Annual Governance Statement 2021/22

The Committee considered a report of the Executive Director (Finance and Resources) presenting the Annual Governance Statement for 2021/22 together with actions for 2022/23 and an update on progress made with the 2021/22 action plan.

The Committee asked questions which were responded to by officers.

Resolved:

That the Annual Governance Statement for 2021/22, subject to any further views expressed by External Audit, be approved and be recommended to the Leader of the Council and Chief Executive for authorisation and signature, and incorporation in the Statement of Accounts 2021/22.

179 Deloitte: External Audit 2020/21 and 2021/22 Progress Report

The Committee considered a report of the Executive Director (Finance and Resources) setting out the status of the 2020/21 external audit of the Statement of Accounts and the early headline planning intentions for the 2021/22 audit.

The Committee asked questions which were responded to by officers and the representative from the external auditor.

180 Audit Committee Annual Report 2021/22

The Committee considered a report of the Executive Director (Finance and Resources) presenting the Audit Committee Annual Report 2021/22.

The Committee asked questions which were responded to by officers.

Resolved:

That the Annual Report for the Audit Committee for 2021/22, be approved and referred to the Council for information.

181 Vecteo Update

The Committee considered a report of The Executive Director (Finance and Resources) setting out the progress made in delivering the work required in respect of the special educational needs and disability (SEND) passenger transport provision provided by Vecteo, that was agreed by resolutions of Council held on 25 November 2021.

On consideration of the matter the Committee agreed to move into Part 2 to discuss the confidential aspects and on conclusion came back into Part 1 for decision and general questions.

The Committee asked questions which were responded to by officers. However, there were some questions that could not be responded to at the meeting and officers undertook to provide a written response to the Committee as soon as practicable.

Resolved:

1. That the findings from the review work requested in respect of the SEND passenger transport contract and the progress made with the Council's arrangements for working with Vecteo, be noted.
2. That a further update on progress and delivery of the agreed actions contained within the different reports as detailed in Council Minute 486 of the meeting held 25 November 2021, be brought back to the Committee in September 2022.

182 Information Items

The Committee noted the recent publication of the latest issue of the Audit Committee Update from the CIPFA Better Governance Forum, which aimed to support members of audit committees in their role.

183 Exclusion of the Public

Resolved:

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below, on the grounds that it would involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

184 Vecteo - Confidential matters

During consideration of Minute 181 concerning Vecteo the Committee moved into Part 2 so that the confidential matters could be discussed. The Committee moved back into Part 1 for the decision.

Chair: _____

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Southend-on-Sea City Council

Report of Executive Director (Legal and Democratic Services)

to

Audit Committee - 26 October 2022

Report prepared by:

Val Smith – Knowledge and Data Privacy Manager
(overarching)

Charlotte McCulloch – Customer Service & Complaints
Manager (Section 4)

Michael Barrett – Complaints Officer (Section 5)

4
Agenda
Item No.

Annual Report – Comments, Complaints and Compliments – 2021/22

A Part 1 Public Agenda Item

1. Purpose of Report

An effective complaint system delivers:

- Early warning of things going wrong
- Root cause analysis which finds out what is causing a problem and does something about it
- Fair outcomes for individuals who complain
- Individual outcomes which are applied to the wider customer base
- Continuous improvement of products/processes and people skills
- Appropriate remedies where things have gone wrong.

This report is to:

- Provide performance information about general comments, complaints and compliments received across the Council for 2021/22
- Provide an annual report concerning compliments, concerns and complaints received about the Council's Children and Adults' social care functions.
- Report to councillors on the findings of certain Local Government and Social Care Ombudsman investigations

2. Recommendations

To note the Council's performance in respect of comments, complaints, and compliments and Ombudsman investigations for 2021/22.

3. General Comments, Complaints and Compliments Process

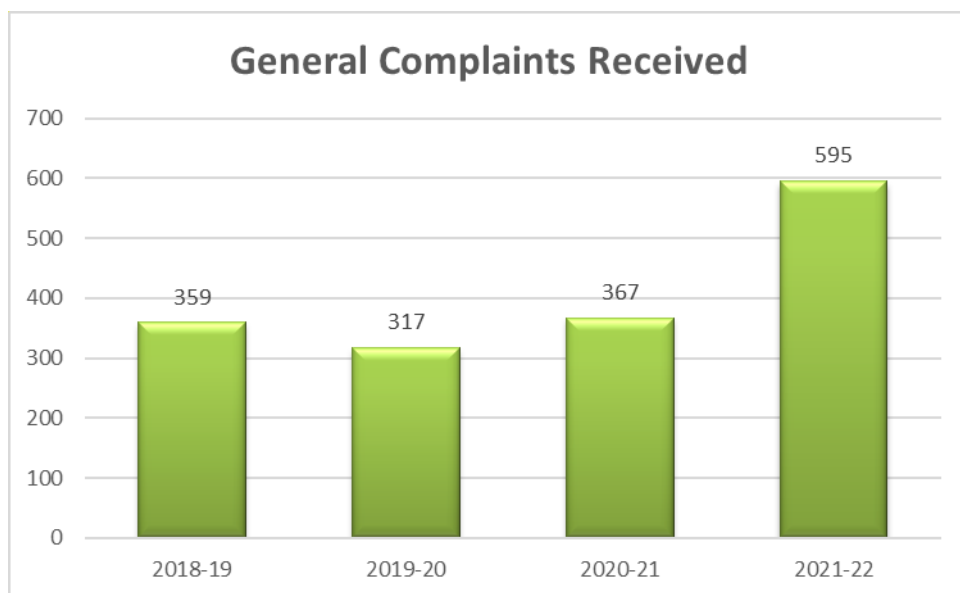
3.1 Background

Complaints which do not have a specialist process are considered under the General Comments, Complaints and Compliments procedures. The Local Government and Social Care Ombudsman recommends councillors receive an annual report on the operation of the process and insight arising from it.

3.2 Complaints

595 complaints were received through the General complaint process in 2021/22.

This Graph shows the number of complaints received and a comparison with the previous three years.



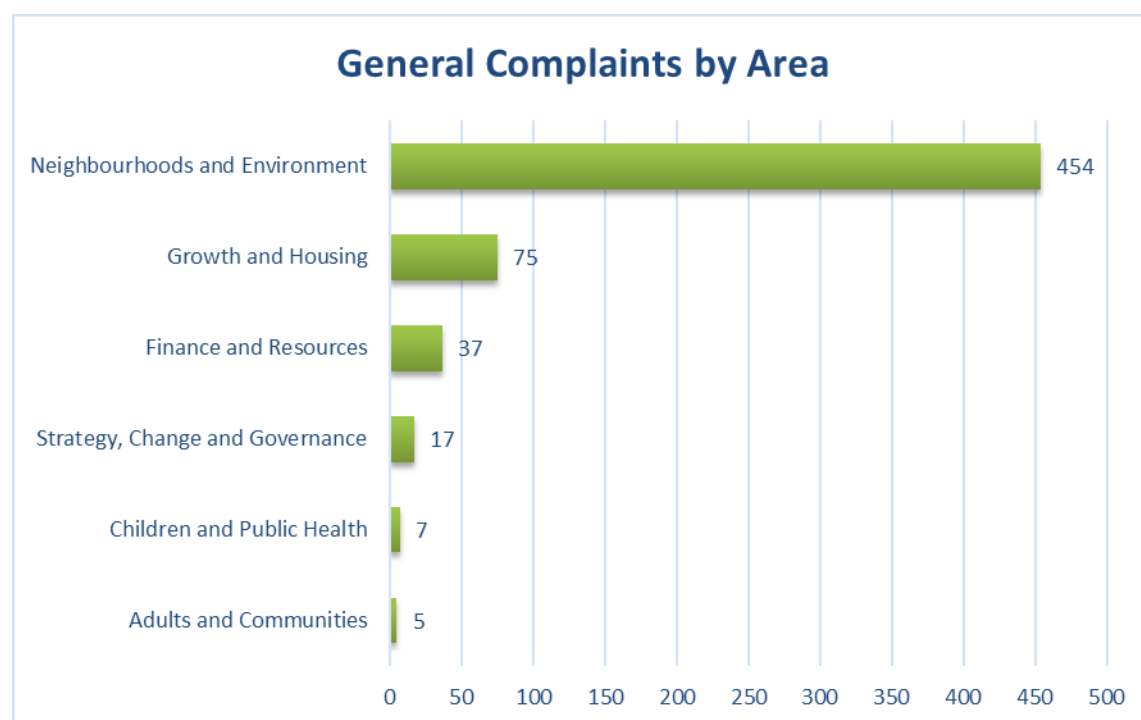
The number of complaints made under the general process remained relatively stable during the main period of the pandemic but has increased considerably this year. 62% of complaints were received in the first two quarters of the year. In the final Quarter numbers of complaints received were returning to more normal levels.

3.3 Overall Response Times

590 complaints were resolved in 2021/22, of these 61.69% were responded to in time, a decline on the previous year where 81.82% were responded to within the relevant timescale. This is most likely attributable to the high number of complaints received, particularly by the Growth and Housing service in the first two Quarters.

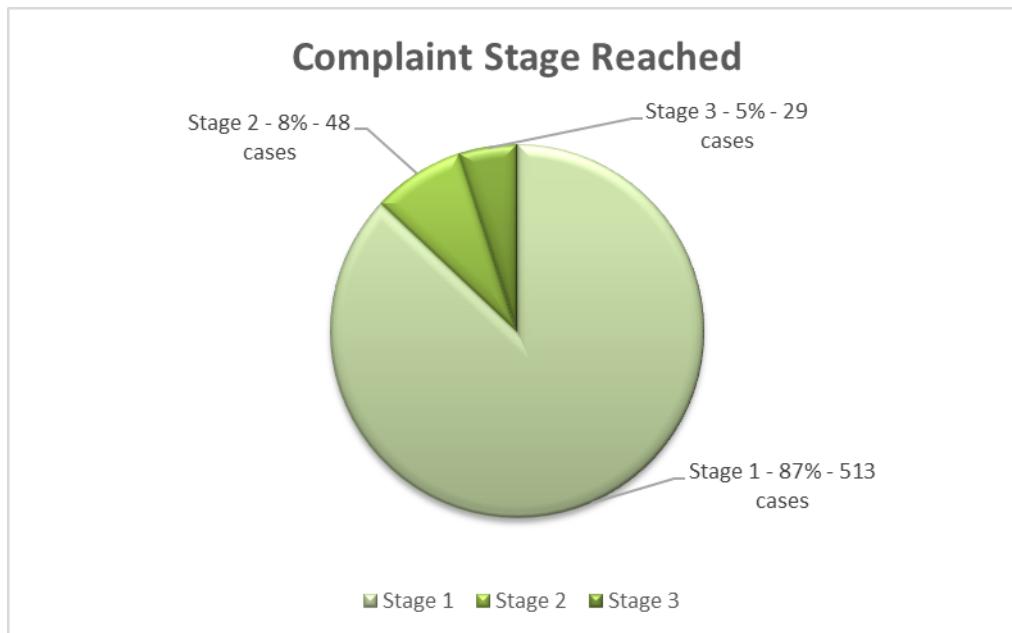
3.4 Breakdown of Resolved Complaints by Service Area

The complaints received related to the following areas:



3.5 Stage reached by complaints

There are three stages to the general complaints process. At each stage a more senior manager looks at the complaint with a stage 3 response being sent jointly by a member of Corporate Management Team and the Leader of the Council. The following chart shows the Stage of the complaint process at which the complaints were resolved during the year and is based on the 590 complaints responded to during 2021/22:



Those who make a complaint have the option, usually at the conclusion of the complaint process, to approach the Local Government and Social Care Ombudsman. This is explored in more depth in section 6.

3.6 How Complaints Are Received

Most commonly those who make a complaint contact the Council by e-mail or on-line reflecting the general shift to use of electronic means when interacting with the Council.

The Council remains committed to keeping all complaint channels available, including telephone and letter, to meet its equalities obligations and to comply with Ombudsman best practice. A formal complaint may be received over social media but would be moved to more conventional channels for resolution.

3.7 Comments and Compliments

When comments are received, they are responded to by the service concerned and the person making the comment is acknowledged where appropriate and advised if their suggestion is to be taken up.

Compliments are acknowledged where appropriate and shared with line management. This may then inform the staff member's performance discussion.

64 compliments were received in 2020/21 through the general process.

3.8 Monitoring and Reporting

Data from complaints is used in a responsive way to inform service analysis and improvements and is regularly reported to the Good Governance Group and in the quarterly council health check report.

3.9 Conclusion

The process continues to deliver a professional response to individual complaints, a robust system of complaint monitoring and real service improvements.

4. Adult Social Care Statutory Process

4.1 Background

This section is the report of the Executive Director for Adults and Communities concerning compliments concerns and complaints received about its adults' social care function throughout the year.

The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 provide a single process for health and social care services. With the increase in integrated services, the single process makes it easier for patients and service users to make complaints and allows them to make their complaint to any of the organisations involved in their care. One of the organisations will take the lead and co-ordinate a single response.

The process is based on the principles of the Department of Health's *Making Experiences Count* and on the Ombudsman's principles of good complaints handling:

- Getting it right
- Being customer focused
- Being open and accountable
- Acting fairly and proportionately
- Putting things right
- Seeking continuous improvement.

There is a single local resolution stage that allows a more flexible, customer focused approach to suit each individual complainant. At the outset, a plan of action is agreed with the complainant to address their complaint. Amendments to the plan can be agreed at any stage of the process.

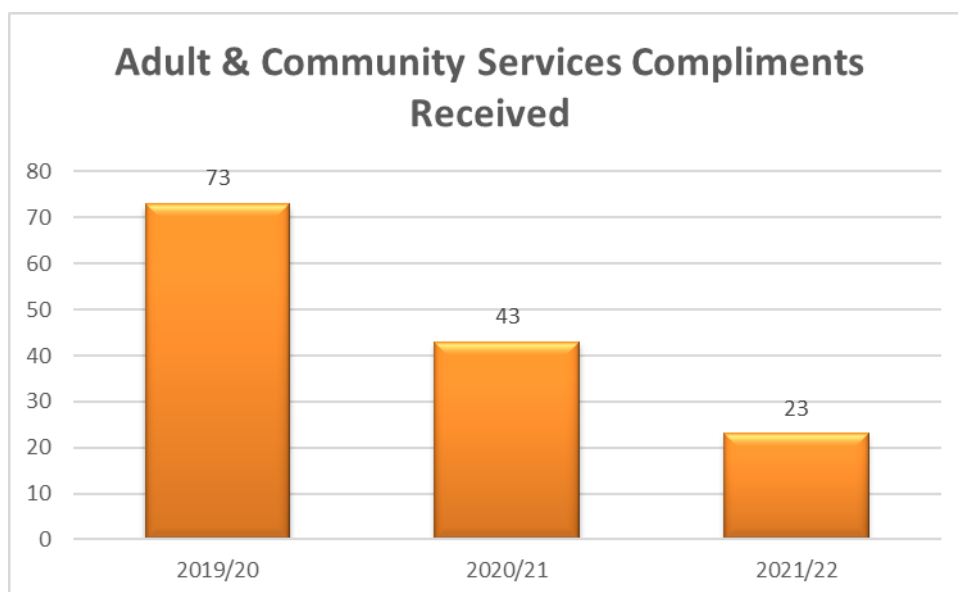
The regulations do not specify timescales for resolution and a date for response is agreed and included in each plan. Response times are measured against the agreed dates in the plans.

When the local authority believes that it has exhausted all efforts to achieve a local resolution, and the customer remains dissatisfied, the next step is referral to the Local Government Ombudsman. This is explored in more depth in section 6.

4.2 Compliments

Compliments are a very important feedback and motivational tool and members of staff are encouraged to report all compliments they receive to the Customer Services Manager for recording. All compliments are reported to the Group Manager of the Service to pass on their thanks to the staff member and the team. This practice has been well received by staff.

Adult and Community Services received 23 compliments about its social care services in 2021/2022. The graph below provides a comparison with the previous two years:



The use of Compliments is very tenuous benchmark for Customer Satisfaction as unlike complaints that require specific action by the recipient, compliments can easily be forgotten and not formally logged due to focusing on more urgent day to day activities.

Compliments and complaints are the extreme indicators of Customer Satisfaction; however, there are still many service users who have not recorded a complaint or compliment, which suggests they are generally satisfied with the service.

4.3 Concerns

The current regulations require the local authority to record concerns and comments as well as complaints. Some people wish to provide feedback to help improve services, but they do not wish to make a formal complaint, and this process facilitates that.

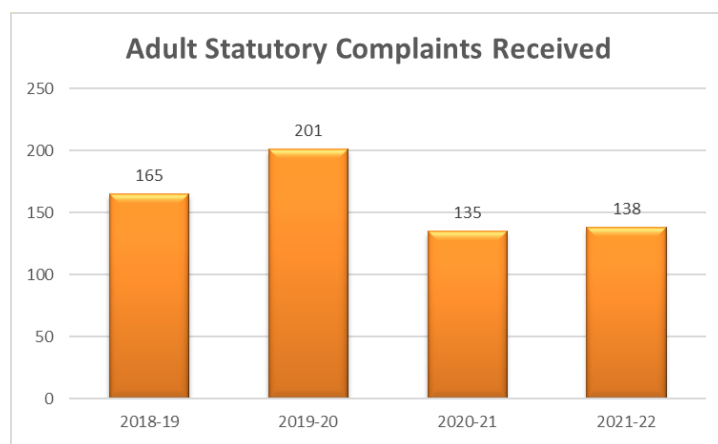
Adult and Community Services received no feedback to be logged as a 'comment' or 'concern' about its social care services in 2021/2022.

All concerns and comments are considered to identify areas for improvement and responses are made where appropriate or requested.

4.4 Complaints

Adult Services received and processed a total 138 statutory complaints about its statutory social care services in 2020/21

This Graph shows the total number of complaints received and processed by Southend-on-Sea City Council during 2020/21 and a comparison with the previous three years.



The number of complaints received in 2021/22 has remained comparable with the previous year.

The number of complaints represents 4.9% of the adults that we provided a service to in 2021/22.

Complaints logged through the council's complaints process is only one way in which a complaint can be made. Many concerns or issues are resolved locally with the Social Worker and/or provider, rather than through the formal statutory complaint process. In addition, complaints about external providers can be raised directly with them and these are not recorded by the Council.

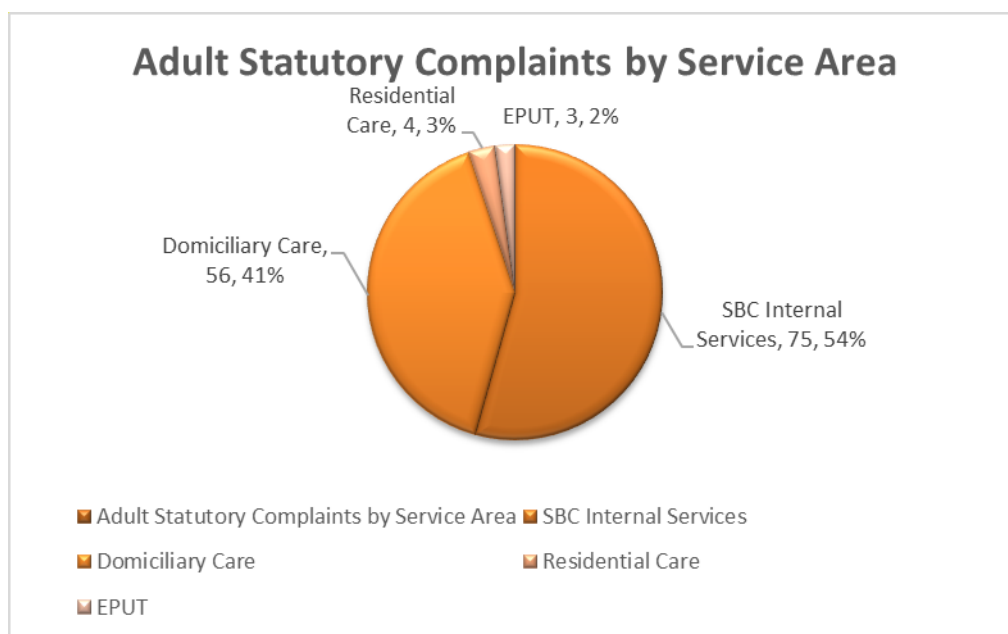
4.5 Overall Response Times

Adherence to response times is measured by compliance with the agreed dates set out in the individual complaint plans. There is no statutory requirement with regards to response timescales, however we recognise the importance of trying to achieve a speedy resolution to complaints and generally aim to resolve complaints within 10-15 working days in line with the Children's Statutory Complaints Procedure, and the Corporate Complaints Procedure. However, depending on the complexity of the complaint raised, agreement is made with complainants on an acceptable timescale for a response.

Out of the 138 complaints received, 5 complaints were withdrawn prior to response, 2 were moved to Safeguarding Investigations and 3 were for EPUT who have their own response timescales. Therefore, out of the 128 complaints responded to, 53 complaints (41%) were responded to within 10 days, and further 24 complaints were responded to with 15 days. A total of 77 complaints were responded to with 15 days (60%)

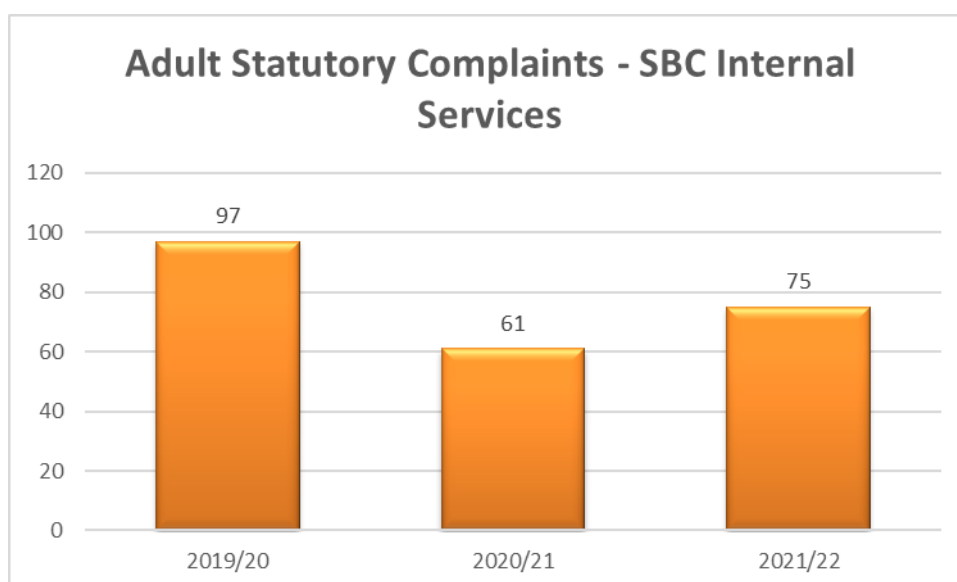
Whilst every effort is made to meet the timescales agreed, if it transpires through the course of the investigation this will not be possible, the complainant is kept informed and updated accordingly.

4.6 Breakdown of Complaints by Service Area



4.7 Complaints about Internal Southend Council Services

Out of the total 138 complaints received 75 complaints were received regarding Internal Southend Council Services. This is an increase of 23% on 2020/21



Of the 75 complaints received about Internal Services, 72 required a response (3 were withdrawn), 23 (32%) were given a full response within 10 working days. 41 (56%) received a full response within 15 working days.

Some Complainants raise more than one issue therefore the 75 complaints raised related to 82 Issues.

Of these 82 Issues – 26 were upheld
 16 were partially upheld
 26 were not upheld
 11 were unable to reach a finding*
 3 were withdrawn

* *This is where a definitive outcome cannot be reached as there is insufficient evidence to rule either way*

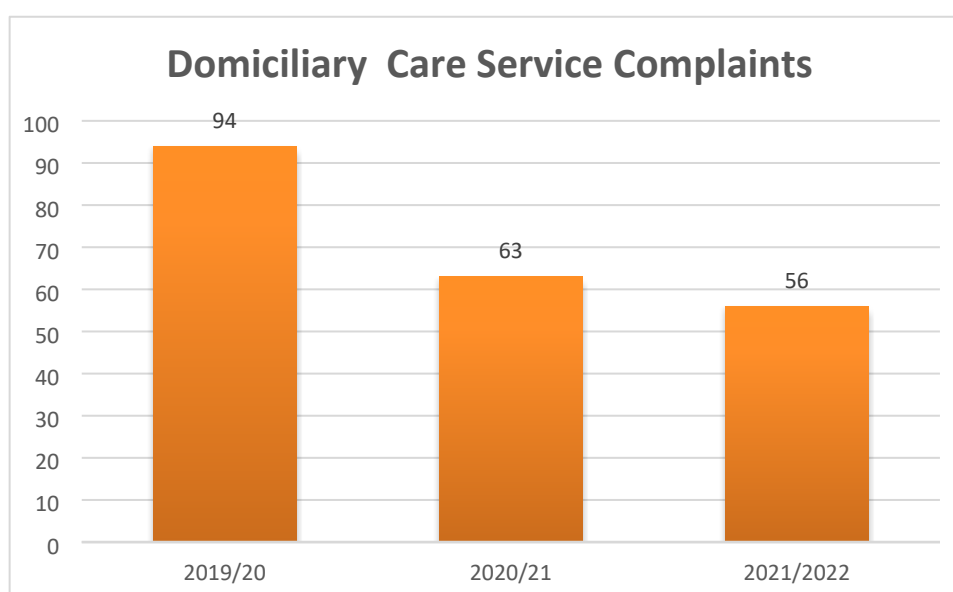
The top three issues were:

	<i>Total</i>	<i>Outcome</i>
Care charges not explained	19	6 Not upheld
Delay/ Failure to keep informed	14	2 Not upheld
Insufficient Support	13	6 Not upheld & 2 withdrawn

4.8 Complaints about services from Commissioned Providers

4.8.1 Domiciliary Care

Of the 137 complaints received by Southend-on-Sea City Council, 56 were about Domiciliary Care Providers. This is a slight decrease of 11% on 2020/21.



Of the 56 complaints received, 54 required a response (2 were withdrawn). 30 (56%) were responded to within 10 working days. 42 (77%) were responded to within 15 working days.

56 complaints related to 79 issues that were raised.

Of the 79 Issues raised – 28 were upheld
8 were partially upheld
13 were not upheld
23 were unable to reach a finding*
7 were withdrawn or moved to safeguarding

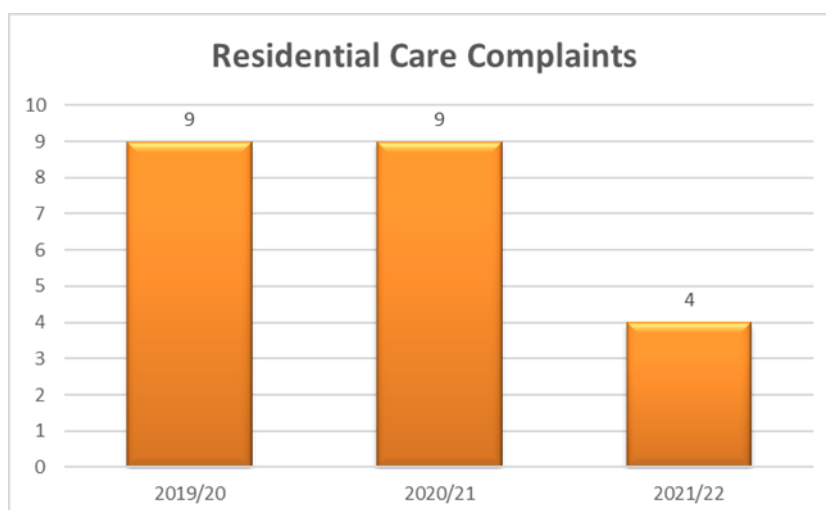
* *This is where a definitive outcome cannot be reached as there is insufficient evidence to rule either way*

The top four issues were: -

	<i>Total</i>	<i>Outcome</i>
Timing of planned homecare calls	15	13 Not upheld
Short Visits	12	2 Not upheld
Insufficient Support	8	1 Not upheld
Missed Calls	8	1 Not upheld

4.8.2 Residential Care

4 complaints were received about Residential Care homes. This represents 0.6% of the number of adults placed in Residential Care under a Southend-on-Sea City Council contract.



2 complaints were responded to with the timescale agreed (50%)

Over the 4 complaints 5 issues were raised. The complaints concerned a number of different Residential Homes and the issues raised varied with no one particular area highlighted as a distinct concern and none of the complaints were upheld.

Our Contracts Team and Complaints Team continue to work with the residential and domiciliary care providers to address issues and effect improvements around complaints handling.

4.9 Monitoring & Reporting

Statistical data regarding complaints about our commissioned home care providers are provided quarterly to inform the Contract Monitoring Meetings.

Complaints are monitored by the Complaints Manager for any trends/emerging themes and alerts the relevant service accordingly.

Complaints information is fed into the monthly operational meetings where issues regarding providers are shared. This is to ensure that a full picture is gathered regarding the providers service delivery and identify any concerns or trends that may be emerging.

4.10 Learning from Complaints

The Council continues to use complaints as a learning tool to improve services and to plan for the future. Local authorities are being asked to show what has changed as a result of complaints and other feedback that it receives.

Improvements made as a result of complaints: -

- Continue to ensure financial information and the implications are consistently communicated and understood by the Adult and/or their family.
- The complaints team are now meeting with the Operational Team monthly to look at external providers performance with a view to identifying trends from complaints and other sources of information such as Safeguarding's and Social Workers concerns. This information then feeds into the Information sharing meeting between SCC, CQC and key partners to provide a broader view of provider performance.
- The complaints and operational team are working with the Contracts Team around the quality of complaint handling by providers.

5. Children's Social Care Statutory Process

5.1 Background

This section is the report of the Executive Director for Children and Public Health concerning compliments and complaints received about its children's social care function throughout the year.

Complaints in the children's services are of two types, Statutory and General.

The law also says that children and young people (or their representative) have the right to have their complaint dealt with in a structured way. The statutory procedure will look at complaints, about, for example, the following:

- An unwelcome or disputed decision
- Concern about the quality or appropriateness of a service;
- Delay in decision making or provision of services;
- Attitude or behaviour of staff
- Application of eligibility and assessment criteria;
- The impact on a child or young person of the application of a Council policy
- Assessment, care management and review.

The General Complaint Procedure which is explained in Section 3 above would be used when issues giving rise to the complaint fall outside the scope of the above statutory procedure.

Within children's services most complaints fall under a statutory process within the Children's Act 1989, where the expected performance regarding response times is described. This is also an area routinely reviewed within an inspection or regulatory visit. Many complaints are about how the actions of our staff are perceived by the families they interact with and therefore some complaints include issues about specific, members of staff.

The process for complaints regarding children's statutory services has three stages.

Stage 1 affords an opportunity to try to find a local resolution usually at team manager level. If the complainant is not satisfied with the outcome, they may request to proceed to stage 2.

At stage 2, the Department appoints an Investigating Officer, and an Independent Person to investigate the complaint. The Investigating Officer is a senior service worker who has not been associated with the case, and the Independent Person is someone who is not employed by the council, but has experience of children's issues, social care or investigations. The stage 2 response is reviewed and approved by the Director of Children's Services.

If the complainant is still not satisfied, they may proceed to stage 3. At this stage, the complaint is referred to an Independent Review Panel of three independent panel members with one member acting as Chair. They will review the stage 2 investigation and outcome, and will make recommendations. These recommendations are reviewed by the Deputy Chief Executive, who formally responds to the complainant.

The process is based on the premise that at each stage, a more senior officer responds to the complainant.

Those who make a complaint have the option, usually at the conclusion of the complaint process, to approach the Local Government and Social Care Ombudsman. This is explored in more depth in section 6.

The Complaints team encourages and supports Team Managers to resolve complaints at the earliest stage, including before they become formal complaints. We also advise a face to face meeting regarding the issues before the formal stage 2 process is started. This is thought to resolve the outstanding issues as early in the process as possible and in a way which many find less formal and adversarial for the complainant.

The numbers of compliments and complaints indicated in this report may not reflect the quality of the support generally provided by the social work teams, rather they are the opposite ends of our client satisfaction range, meaning that the majority of service users and their families are satisfied with the professional support provided.

5.2 Compliments received in 2021/22

This year we have recorded 40 compliments, a reduction from the 2020/21 figure of 51, however, this is still significantly above previous years.

An issue with compliments is that unlike complaints they do not need a specific response, and so there is a possibility that in the past and in current years some compliments may have been made verbally or in an email and not then passed on to the complaints team to be formally logged. We will remind staff of this as this may give a better view of the impact our staff and services have on the families we support.

5.3 Complaints received in 2021/2022

Performance on complaints is reported both monthly and quarterly. Each month a snapshot of the current position with complaints is shared with Service Managers to provide a regular update on complaints. Each quarter a more detailed report forms part of the Children's Services Quality Assurance Reports, so that senior management are better informed.

Over the previous few years, complaint numbers have been reasonably consistent, however from the fourth quarter of 20/21 numbers of complaints reduced, and remained lower than the totals in previous years. Complaints approached "normal" levels from the 3rd quarter of 2021, and this seems to have continued into the first quarter of 2022/23. Part of this reduction may have been the result of Covid 19 anxiety as well as the restrictions imposed soon after. However, this may not be the complete explanation.

Complaints by Quarter		
	2020/21	2021/22
Qtr. 1	20	9
Qtr. 2	21	13
Qtr. 3	29	20
Qtr. 4	20	17
Total	90	59

We record and report on the number of complaints received, and on the number of issues raised within them. This better allows us to help identify the things which create complaints, as well as better manage our responses to the complainant.

During 2021/22 we received 59 complaints which were made up of 79 different issues. In 2020/21 the 90 complaints were made up of 129 separate issues raised.

5.4 Complaints Stage 1

In 2021/22 we received 59 complaints in total, a significant reduction from 2020/21 when we received 90.

Comparing the proportions of complaints, Corporate or Statutory, there is a decline in the proportion of statutory complaints, and an equal increase in the corporate complaints.

	2020/21		2021/22	
	No.	%	No.	%
STATUTORY COMPLAINTS	73	81%	42	71%
CORPORATE COMPLAINTS	17	19%	17	29%
TOTAL	90		59	

The reason or cause of each complaint and issue received is recorded. Of the 79 issues received in 2021/22 they are categorised and distinguished as below.

COMPLAINTS/ISSUES BY DESCRIPTION	NUMBER	
Biased	0	0.0%
Breach of confidentiality	2	2.5%
Delay delivering service	1	1.3%
Delay/failure to keep informed	3	3.8%
Discrimination	1	1.3%
Failure to take account of S/U or families views	13	16.5%
Financial Loss	2	2.5%
Inappropriate Behaviour	3	3.8%
Insufficient Support	18	22.8%
Meeting minutes not sent or delay in sending	0	0.0%
Non-adherence to procedure	6	7.6%
Not invited to meetings	1	1.3%
Not returning calls/e-mails	2	2.5%

Other	1	1.3%
Outcome of decision/assessment	2	2.5%
Poor communication style	6	7.6%
Professionalism	16	20.3%
Rude / unhelpful	2	2.5%
Grand Total	79	

The top 3 issues, as recorded, are,

	No.	%
Failure to take account of S/U or families views	13	16.5%
Insufficient Support	18	22.8%
Professionalism	16	20.3%
	47	59.5%

These three issues make up nearly 60% of the complaints received.

The same three issues were the commonest reasons to complain in previous years. In 2020/21 they made up approximately 56% of the complaints received.

There are broader themes which consistently occur as the root cause of the complaints and these general themes run through the complaints each year. From the perception of the complainant they are;

Professionalism,

Insufficient Support,

Failure to take account of the views of the family/service user.

Put simply,

- They feel we are not listening to them or taking their views and concerns seriously.
- They feel that the support provided is not sufficient or timely, that our staff are slow at decision making.
- They feel our staff can be unprofessional. That we don't follow our own processes and procedures, and the decisions made can be confusing or arbitrary.

Of the 79 issues raised in the complaints, there were 34 (43%) in which individual staff were identified. In 2020/21 the proportion was 53% and we seem to be continuing the trend of lowering this proportion which we have seen over the last few years. The outcomes for the complaints where staff are named are in line with the overall outcomes.

The proportion of stage 1 complaints responded to within 10 working days is 37%, 21 in 57, which is a fall from the 2020/21 figure of 46%, this comes after some steady improvement over the last few years.

5.5 Complaints Stages 2 and 3

All stage 2 and 3 complaints were "paused" due to the Covid 19 issue and were resumed in the late summer of 2020, with all those involved working and communicating remotely. This is in line with guidance from the government generally and the specific LGA Ombudsman advice. This, coupled with the increased difficulty in getting suitable staff and independent people had caused delays in addressing these complaints, which we have worked to address.

During 2021/22 there were 8 complaints in total of which 6 were statutory that escalated to stage 2. Of the statutory complaints 3 have been completed, 1 was withdrawn and the other is in hand. Both of the corporate complaints have been completed. In addition during the year we also completed 5 stage 2 complaints carried over from previous years.

Of the complaints from 2021/22 which have been concluded at stage 2, two have opted to escalate to stage 3. In addition, during 2021/22 we also have three other complaints from previous years which have escalated to stage 3. Four of the five complaints have been completed, the fifth complaint is in the process of being organised.

We will continue to hold the stage 2 and 3 complaint investigations remotely even though Covid 19 restrictions have eased.

To better manage the number of complaints being escalated beyond stage 1 of the complaints process, we advise the complainant and suggest that they meet with the social work manager/staff involved to discuss the issue and hopefully resolve it in a constructive way rather than the more formal and time-consuming stage 2 process.

5.6 Developments in the complaints process

Given the changes we have put in place to conduct stage 2 and 3 activities, we plan to continue these remote/on-line methods in the future once the covid 19 pandemic is ended, as it has provided a more efficient and cost-effective way of dealing with these issues.

That we will endeavour to ensure that recommendations made at stage 2 and 3 and are accepted by us are implemented.

5.7 Learning from Complaints

The Council continues to welcome complaints as a means of improving services for the present and future. Local Authorities are asked to show what has changed as a result of complaints and other feedback it receives.

Improvements made as an outcome of complaints;

- Following a Stage 1 response if the complainant remains dissatisfied, a meeting can be offered with a manager to try to resolve the issues and avoid going to stage 2 of the complaints process.
- Where claims of bias, unfairness or anything related to professionalism are concerned;
 - That staff now provide both parents with a confirmation letter when their child's file is closed.
 - That in the cases involving separated parents, staff have been made aware that they must not appear to favour or support one parent, and as much as possible, communication should be as consistent between parties. To identify an advocate to provide support if one party needs additional support.

5.8 Areas for improvement

To build on the development of the routine monthly and quarterly management reporting, so that we can identify and then address the issues which cause people to make complaints by improving our services and how they are delivered.

During the year Southend requested and held a Peer Review of CWD and SEN services following an increase in complaints around those services. Complaints staff attended a meeting with the Team undertaking the Peer Review during their investigation. As a result some improvements were identified in terms of complaint handling and learning from complaints. This is being worked into a more consistent method for reviewing the lessons learned at all stages of the complaints process. This was discussed with the previous Director as well as the Head of Service.

5.9 Complaints by children

Children are defined as those who are under 18 years old. We also include in this category any complaints we receive from young people, aged 18-24 who are long term care leavers. Any child or young person wishing to make a complaint and who does not have an advocate is always advised to use one and is provided with contact details and helped to contact the advocacy service.

During 2021/22 we have not received a complaint from a young person directly or via an advocate, or from a care leaver, in the age bracket 18-24 years. This is unusual as we generally receive a small number each year.

During 2020/21 we received 3 separate complaints from young people, and in addition, we also received 3 complaints from young people who were care-leavers, in the 18-24 age bracket, and who had issues with some aspect of their earlier care or arrangements for leaving care.

We have already received a complaint from a care-leaver in the first quarter of 2022/23.

5.10 Learning from Complaints

The Council continues to welcome complaints as a means of improving services and to plan for the future. Local authorities are asked to show what has changed as a result of complaints and other feedback it receives.

Examples of improvements made as an outcome of complaints;

- Following a Stage 1 response if the complainant remains dissatisfied, a meeting can be offered with a manager to try to resolve the issues and avoid going to stage 2 of the complaints process.
- That all parties concerned are kept updated on developments and actions taken by our staff.
- That, in all cases where MARAT has concluded that a case of domestic abuse is high risk, team managers should consider if a risk assessment should be completed before any Local Authority employee is required to have face to face contact or visit the homes of the service users. This is to ensure that the Local Authority discharge their duty of care to the families involved and our staff.

Where claims of bias or unfairness are concerned;

- That staff now provide both parents with a confirmation letter when their child's file is closed.
- That in the cases involving separated parents, staff have been made aware that they must not appear to favour or support one parent, and as much as possible, communication should be consistent between parties. To identify an advocate to provide support if one party needs additional support

5.11 Areas for improvement

To build on the development of the routine monthly and quarterly management reporting, so that we can identify and then address the issues which cause people to make complaints by improving our services and how they are delivered.

During the year Southend requested and held a Peer Review of CWD and SEN services following an increase in complaints around those services. Complaints staff attended a meeting with the Team undertaking the Peer Review during their investigation. As a result some improvements were identified in terms of complaint handling and learning from complaints. This is being worked into a more consistent method for reviewing the lessons learned at all stages of the complaints process. This was discussed with the previous Director as well as the Head of Service.

6. Local Government and Social Care Ombudsman (LGSCO)

6.1 Background

This section constitutes the report of the Monitoring Officer concerning complaints to the Local Government and Social Care Ombudsman throughout the year and fulfils the Monitoring Officer's reporting duty under section 5(2) of the Local Government and Housing Act 1989 and the Local Government Act 1974.

The Monitoring Officer must provide councillors with a summary of the findings on all complaints relating to the Council where in 2021/22 the Local Government and Social Care Ombudsman (LGSCO) has investigated and upheld a complaint.

6.2 What the LGSCO Investigates

The LGSCO investigates complaints about 'maladministration' and 'service failure', generally referred to as 'fault'. They consider whether any fault has had an adverse impact on the person making the complaint, referred to as an 'injustice'. Where there has been a fault which has caused an injustice, the LGSCO may suggest a remedy.

The Council works with the LGSCO to resolve complaints made to the Ombudsman. Most complaints are resolved without detailed investigation.

The LGSCO may publish public interest reports concerning a Council or require improvements to a Council's services.

The Ombudsman's annual letter provides statistics focused on three key areas:

Complaints upheld – The LGSCO uphold complaints when they find some form of fault in an authority's actions, including where the authority accepted fault before they investigated.

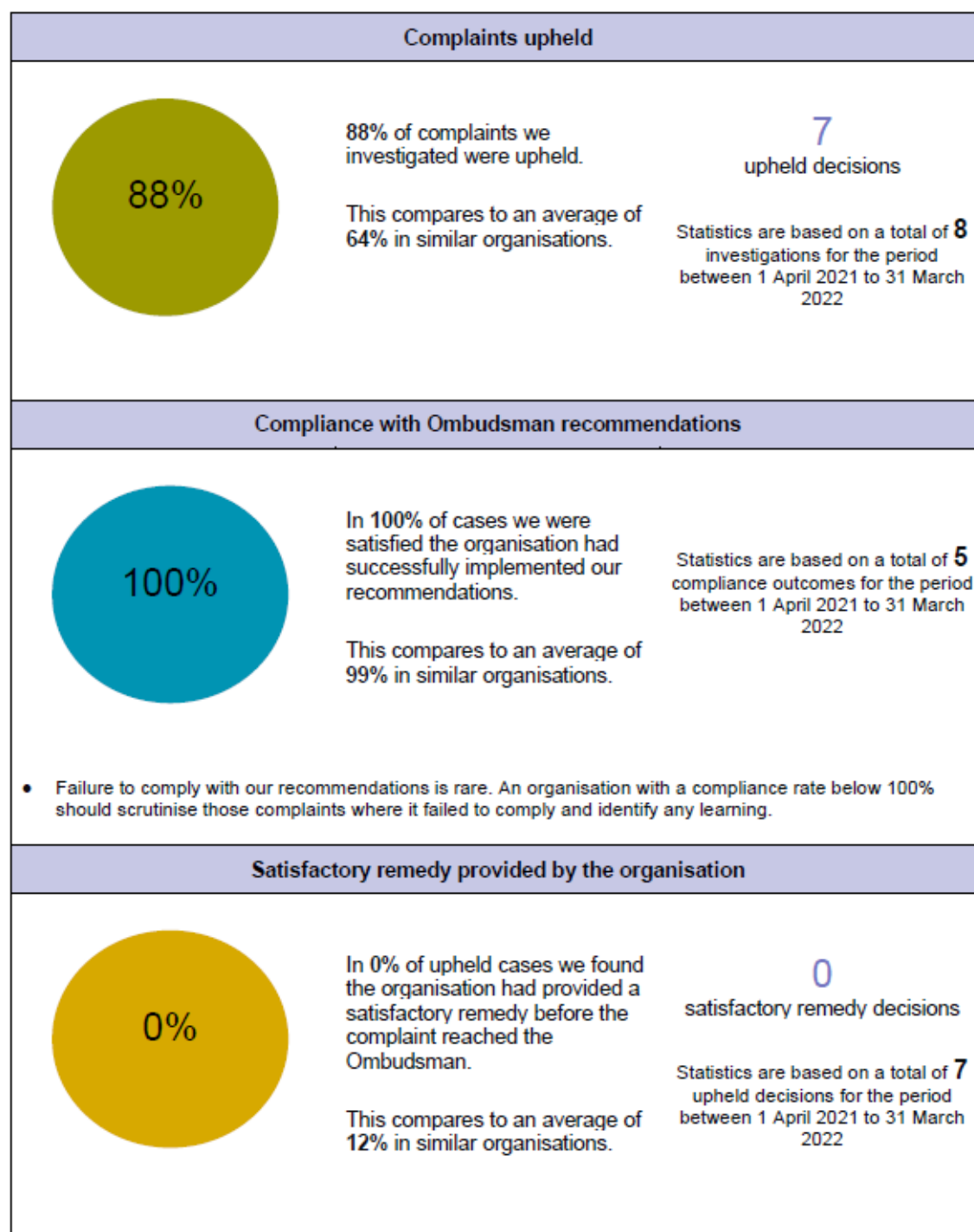
Compliance with recommendations – The Ombudsman recommends ways for authorities to put things right when faults have caused injustice and monitor their compliance with the recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the authority upheld the complaint and the Ombudsman agreed with how it offered to put things right.

6.3 Statistics from the LGSCO annual review letter

Statistics from the annual review letter of the LGSCO are as follows:

Southend-on-Sea City Council
For the period ending: 31/03/22



Full details and the Ombudsman's annual letter are available on the [LGSCO website](#).

6.4 Complaints made to the LGSCO

In 2021/22, 45 approaches were made to the LGSCO in respect of Southend-on-Sea City Council.

46 decisions were made by the LGSCO, as follows:

Advice given	2
Closed after initial enquiries	24
Incomplete/invalid complaint	3
Referred back for local resolution	9
Not upheld	1
Upheld	7
Number of decisions made	46

6.5. Number of decisions investigated in detail by the LGSCO

The LGSCO concluded 7 detailed investigations in respect of Southend-on-Sea City Council in the period between 1 April 2021 and 31 March 2022 with 6 complaints being upheld. Although the percentage rate upheld appears high, the number of complaints requiring investigation by the Ombudsman has reduced and the number of decisions upheld is comparable with previous years.

Year	19/20	20/21	21/22
Number of detailed investigations	10	11	8
Number of detailed investigations upheld	7	5	7
Upheld rate	70%	45%	88%

6.6. Complaints upheld by the LGSCO

The following is a summary of the upheld complaints:

Adult Care Services

The Council failed to coordinate some aspects of an individual's transition from education into adult services. There was evidence of delay, confusion, and poor communication in the assessment process.

Remedy: The Council took action to improve its procedures around transition planning and reminded its senior managers and officers of the requirements of the Care Act and the Special educational needs and disability code of practice. Financial redress was made.

A complaint was made about the Council's actions regarding the care planning and hospital discharge of a couple's late relative. They also complained about the conduct and professionalism of a social worker. There was no evidence the Council persuaded the couple to provide informal care to the relative. However, there was some fault in the Council's handling of the associated complaint.

Remedy: The Ombudsman could not determine what the social worker said during the meeting in question, but the Council had already provided an apology from the social worker which was a suitable remedy.

The Council reminded the relevant staff about the requirement to coordinate complaints which concern more than one responsible body. Financial redress was made.

Corporate and Other Services

A complaint was made concerning the Council's service in relation to a marriage ceremony. There were service failures during the ceremony and the Council did not properly manage the associated complaint.

Remedy: The Council made service improvements to prevent the recurrence of fault and financial redress was made.

Education and Children's Services

A complaint was made that the Council did not provide appropriate support to meet a child's needs, that a parent carer assessment was not carried out and that there had been poor complaint handling. The Ombudsman decided there was no fault in how the Council assessed the child's needs and how they decided there was no eligibility for social support.

However, the Council failed to refer them for a mentor as agreed, did not complete an adequate parent carer assessment and delayed investigating the complaint.

Remedy: The Council agreed to offer to refer the child for a mentor if still appropriate and to complete a parent carer assessment.

The Council also reviewed how it completes parent carer assessments and agreed to ensure it appropriately assesses the needs of parents as carers and records its consideration of the parents needs and any agreed support. Financial redress was made.

A complaint was made that the Council failed to provide the provision in a young person's Educational Health and Care plan. This means the young person had missed education and support they should have been receiving.

The Ombudsman found fault with the Council for failing to provide the agreed provision, and for failing to provide suitable alternative provision in the interim.

Remedy: The Council provided a financial remedy in recognition of the lost provision and distress caused. The Council reminded relevant staff of their duties under the Children Act 1996 to provide alternative provision when a child is out of school.

The Council reviewed the approach it took to the provision of alternative education for children who are not in school for whatever reason and provided training and appropriate guidance to staff. The Council also reminded relevant staff of the importance of meeting timescales set out in the complaint procedure and updating complainants where there are unavoidable delays.

The Council was at fault for delaying consideration of a complaint at stage two of the children's statutory complaints procedure.

Remedy: The Council agreed to start a stage two investigation by allocating the complaint to an Independent Investigator within a month.

Planning and Development

A complaint was made that the Council had not met with an individual or acted on his complaints about noise from a nearby airport. The complainant said the airport was in breach of its planning obligations and its measurement of noise levels was inaccurate.

Remedy: The Ombudsman did not find fault in how the Council investigated the matter. There were delays responding to the complaint, but this did not cause a significant injustice. No remedy was required.

6.7 Conclusion

The Council is co-operating fully with the LGSCO and successfully collaborating with them to identify the appropriate resolution for complaints made.

7. Future developments

While the complaint process itself is expected to remain the same, its administration will change towards the end of 2022 when statutory and general complaint functions are brought together within the Information Governance, Complaints and Resolution Hub of the new Customer Support Service following the business support restructure.

8. Other Options

None. Reporting of general complaint performance is required by the Local Government and Social Care Ombudsman as demonstration of good practice. Reporting concerning social care complaints and Ombudsman decisions is required by law.

9. Reason for Recommendation

To ensure the Council continues to have transparent and effective complaint procedures.

10. Corporate Implications

10.1 Contribution to Southend 2050 Road Map

Feedback both positive and negative is a direct source of information about how services provided by the Council are being experienced in practice.

This insight may relate to any of the themes and outcomes of the Southend 2050 road map.

10.2 Financial Implications

Service improvements continue to result in meaningful outcomes for customers. A robust complaint process with thorough investigation and a positive approach reduces the likelihood of financial remedies being recommended by the LGSCO.

10.3 Legal Implications

These reports ensure compliance with legislation requires that statutory processes be in place to deal with complaints relating to child and adult social care and to produce annual reports concerning them. These reports also need to be shared with the Care Quality Commission and the Department of Health.

The report of the Monitoring Officer ensures section 5/5A of the Local Government and Housing Act 1989 (which requires the Monitoring Officer is required to prepare a formal report on all upheld Ombudsman complaint decisions) is met.

10.4 People Implications

Effective complaint handling is resource intensive but benefits the organisation by identifying and informing service improvements, development needs and managing the process for customers who are dissatisfied.

10.5 Property Implications

None identified

10.6 Consultation

The Advocacy Services and Representations Procedure (Children) (Amendment) Regulations 2004 confer a duty on local authorities to provide information about advocacy services and offer help to obtain an advocate to a child or young person wishing to make a complaint. All children and young people wishing to make a complaint are offered the services of an advocate.

10.7 Equalities and Diversity Implications

The complaints process is open to all and has multiple methods of access for customers. Adjustments to the process are made for those who require it because of a protected characteristic.

Although most commonly the process is accessed through e-mail and on-line forms, traditional methods such as post are available and where necessary a complaint can be transcribed over the telephone or be made in person.

This supports those who might otherwise be inhibited from using the process, perhaps through vulnerability.

10.8 Risk Assessment

Personal data regarding comments, complaints and compliments are recorded in approved centralised systems which can only be accessed by nominated officers.

10.9 Value for Money

Resolving a complaint as early as possible in the process reduces officer time spent dealing with concerns as well as providing the opportunity to improve service delivery.

10.10 Community Safety Implications

None identified

10.11 Environmental Implications

None identified

11. Background Papers - None

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Southend-on-Sea City Council

Report of the Chief Executive

to

Audit Committee

on

26 October 2022

5

Report prepared by:

Stephen Meah-Sims, Executive Director - Strategy, Change and Governance and Senior Information Risk Owner (SIRO)

Val Smith, Knowledge and Data Privacy Manager, Corporate Strategy Group

Information Governance Update and Senior Information Risk Owner (SIRO) Annual Report 2021/22

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To provide a summary of the Council's key actions in regard to information governance and management during 2021/22.
- 1.2 To report on opportunities and challenges in regard to information governance during 2022/23.
- 1.3 To comply with the requirement for the Senior Information Risk Owner (SIRO) to provide an annual report.

2. Recommendations

- 2.1 That the SIRO's report on Information Governance for 2021/22 (Section 4 of this report) be noted.
- 2.2 That the key actions taken during 2021/22, and the opportunities and challenges for 2022/23 be noted.

3. Background

- 3.1 The Council's Information Management Strategy sets out the Council's vision for managing information, the principles supporting the vision and the context and challenges faced by the Council.

- 3.2 It also describes the related governance arrangements and is complemented by a range of other strategies, policies, and processes, notably Data Protection policies and procedures.
- 3.3 The Council's Senior Information Risk Owner (SIRO) has overall responsibility for the Council's information management framework and acts as the champion for information risk within the Council. The SIRO for the Council is the Executive Director for Strategy, Change and Governance.
- 3.4 The SIRO is responsible for producing an annual report on information governance. The report provides an overview of developments in relation to information governance, related work undertaken since April 2021 as well as outlining the strategic direction the Council has adopted. It provides assurance that the Council's arrangements ensure personal data is held securely, information is disseminated effectively and that the Council is compliant with the legal framework - notably the UK General Data Protection Regulation (GDPR) and Data Protection Act 2018.

4. SIRO Annual Report – 2021-22

4.1 Leadership and Governance

4.1.1 The SIRO has a responsibility to ensure that identified information threats and vulnerabilities are followed up for risk mitigation, and that perceived or actual information incidents are managed in accordance with Council's Risk Management Framework.

4.1.2 The SIRO's role is supported by:

- The Privacy Officer - the Director of Digital and ICT
- The Caldicott Guardian - the Director of Commissioning
- The Data Protection Officer – the Knowledge and Data Privacy Manager
- Information Asset Owners (nominated officers).

4.1.3 With regard to cyber security, the SIRO is supported by the Director of Digital and ICT. The ICT nominated cyber security specialists monitor developments; safeguard corporate systems and provide advice and training to the organisation concerning the responsibility of all staff to be aware of and to guard against cyber security threats. They also risk assess those aspects of Data Protection risk assessments which involve the procurement and use of such technology.

4.1.4 The Data Protection Officer (DPO) and their team assist the organisation in monitoring internal compliance, informing and advising on data protection obligations, providing advice, assistance and training on data protection matters. The DPO acts as a contact point between the Information Commissioner and the Council. It is a statutory requirement that the DPO has a reporting line to the highest management level. Usually this is the Good Governance Group (GGG)

but on occasions it will be the Corporate Management Team (of which the SIRO is a member).

- 4.1.5 The DPO's team also manages Data Protection and Freedom of Information central records, monitors performance and compliance with legislation and leads on records management.
- 4.1.6 Leadership and governance of information management is provided by the Good Governance Group (GGG) whose remit includes information management along with the promotion of simple and effective governance.
- 4.1.7 The GGG is chaired by the SIRO, with membership including the SIRO, the Privacy Officer, the Caldicot Guardian and the DPO.
- 4.1.8 The Council is a signatory to the Whole Essex Information Sharing Framework (WEISF). The associated forum known as the Wider Eastern Information Stakeholder Forum is attended by the DPO or their delegate. Membership assists the Council in sharing best practice and in the appropriate sharing of personal data with public, third sector and contracted private organisations across Essex in a lawful, safe and informed way.
- 4.1.9 The Council is also a member of the Essex Digital Partnership which as part of its remit supports cyber security and the Information Governance Networking Group, a collection of data protection specialists who share practical advice and support in an informal environment. Additionally, the partnership plays a critical role in the Essex Resilience Forum cyber framework for Incident Response planning and exercising.

4.2 Training and Awareness

- 4.2.1 Data Protection training continues to feature as a key part of ensuring staff are aware of their responsibilities.
- 4.2.2 During 2021/22 training at induction was through an e-learning platform with modules covering data protection and cyber security. The 2021/22 annual data protection training exercise for staff focused on key areas of the practical application of data protection legislation:
 - The requirement for data protection risk assessments
 - The definition of personal data
 - Identifying data subject rights requests
 - How to handle a suspected data breach
 - Keeping personal data safe

The training was graduated to ensure that an appropriate level of understanding was reached proportionate to responsibilities.

- 4.2.3 When examining data protection security incidents, the Data Protection Advisory Service routinely consider resultant training needs and bespoke training is provided as required.

- 4.2.4 Messages through a variety of communication channels are provided to staff alerting them to the need to protect personal data and use it appropriately.
- 4.2.5 In addition to the above, ICT have delivered training and awareness sessions specifically relating to cyber security and regular cyber security messages are issued by ICT to staff. These include several Phishing attack simulations to everybody using Council email, and accompanying training and awareness related to these attacks.

4.3 UK General Data Protection Regulation and Data Protection Act 2018

- 4.3.1 The UK GDPR and Data Protection Act 2018 (DPA 2018) are the primary pieces of legislation regulating data protection in the UK.
- 4.3.2 Key data protection principles, rights and obligations have remained the same as they were under the EU GDPR, but the UK has the independence to keep its data protection framework under review. So far the UK government has not chosen to make changes but has been considering its options. The situation continues to be monitored by the DPO, who will update the Council's EU Exit group and Good Governance Group if required.
- 4.3.3 On 28 June 2021 EU-UK adequacy decisions were published by the EU Commission designating the UK as adequate (and able to share personal data without additional safeguards). There are exceptions for immigration data. The 'adequate' designation is expected to last until 27 June 2025 with a possible maximum extension of four years. The EU will monitor data protection developments in the UK and adequacy could be withdrawn if it was considered appropriate.

4.4 Data Security and Protection Toolkit

- 4.4.1 The Data Security and Protection Toolkit is an online tool that enables organisations to measure their performance against data security and information governance requirements which reflect legal rules and Department of Health policy. The Toolkit enables the Council to measure its performance against the National Data Guardian's 10 data security standards.
- 4.4.2 All organisations that have access to NHS patient data and systems must use this toolkit to provide assurance that they are practising good data security, that personal information is handled correctly, and they can consequently be trusted to maintain the confidentiality and security of personal information, in particular health and social care personal records. Without the Toolkit assurance, NHS organisations would be unlikely to share data with the Council.
- 4.4.3 The 2021/22 Toolkit was successfully completed. The Toolkit requires an independent audit of the Council's self-assessment. This was conducted in June 2022 with the successful outcome that there is substantial assurance that the necessary standard is met.

4.5 Freedom of Information/Environmental Information

- 4.5.1 Under the Freedom of Information Act (FOIA) and Environmental Information Regulations (EIR), individuals are entitled to ask the Council for a copy of information it holds which is of interest to them.
- 4.5.2 993 requests were received in 2021/22, compared to 962 in 2020/21. The number of requests received, having declined sharply during the first six months of the pandemic in 2020 have now returned to previous levels.
- 4.5.3 In 2021/22 the Council replied to 1031 requests, 59% within the required 20 working days. It is recognised that the timeliness of reply needs to improve. An aim of the business support review is to bring together in one area officers who administer the FOI process so that a sharper focus can be given to this area of work and solutions found to the causes of delays.

4.6 Subject Access Requests

- 4.6.1 Under data protection legislation, individuals are entitled to ask the Council for a copy of the personal data it holds about them. This is known as a Subject Access Request (SAR).
- 4.6.2 There were 130 SARs received in 2020/21 in a return to pre-pandemic levels. 92 were completed, 42.39% within the required timescale. Some SARs are highly complex as they involve weighing the data protection rights of multiple data subjects within a record and may involve hundreds of documents.
- 4.6.3 Responding within the required one month (or three months for complex cases) continues to be a challenge. An aim of the business support review is to bring together in one area officers who administer the SAR process so that a sharper focus can be given to this area of work and solutions found to the causes of delays. In particular, following suitable training a wider pool of staff will become available to assist with peaks of work and complex cases.

4.7 Requests for Data Sharing

- 4.7.1 Individual requests for data sharing are received, primarily from the Police, for the sharing of third party information. These requests are generally received through Legal and Democratic Services, Revenues and Benefits, Counter Fraud and Investigation and the Corporate Strategy Group.
- 4.7.2 Requests are centrally recorded to provide an audit trail in the event of a query regarding the appropriateness of data sharing.
- 4.7.3 Where information sharing is a regular occurrence, the Data Protection Advisory Service works with service areas to introduce formal Information Sharing Agreements to promote clarity of responsibilities between all parties.

4.8 Data Security Incidents

- 4.8.1 In 2021/22 no data security incidents required notification to the Information Commissioner.
- 4.8.2 All reported incidents are investigated. Even where there is no breach, incidents can provide valuable insight into training requirements and processes and procedures which may need to be strengthened as a preventative measure.

4.9 Information Security (including Cyber Security)

- 4.9.1 The cyber security strategy for SBC continues to set the direction for continuous improvement and overall approach to cyber risk management. The head of ICT and IT Security and Compliance provide updates and reports to the Good Governance Group at each meeting. These have provided regular updates on the threat landscape, containing information relevant to the Council including that provided through National Authority, the NCSC. In particular relevant changes in threat in light of the ongoing Ukraine invasion by Russia.
- 4.9.2 Since the last annual report there have been significant technology and process changes and uplifts which have enhanced the Council's security capabilities, for example:
- Utilising the Microsoft Enterprise Licensing to enhance various controls and mitigate risks:
 - Migration of data to secure, monitored cloud facilities
 - Enhancements to Web Content Protection and Filtering
 - Enhanced email protection for attachments and URLs in messages
 - Protection of applications and data accessed from personal devices in line with Bring Your Own Device Policy
 - Cloud Application Risk Assessment and Controls deployed
 - Updated Policies to support Hybrid and Remote Working as well as use of Mobile Phones and Personal Devices.
 - Completion of Ransomware containment solution.
 - Continuation of migration of applications and data to more secure, monitored cloud computing environments.
 - Enhanced use of data for reporting, and analysis of asset and vulnerability.
- 4.9.3 The cyber security threat landscape is actively monitored, and emerging risk is identified and mitigated. To aid with this, intelligence is obtained from the National Cyber Security Centre (NCSC), Cyber Information Sharing Partnership (CISP) and Warning, Advice and Reporting Point (WARP) services.
- 4.9.4 Through the Department for Levelling Up Housing & Communities(DLUHC), Local Government Association (LGA), Essex Digital Partnership (EDP) and NCSC networks, the Council has had the opportunity to capitalise on grants, and funded initiatives as well as the full suite of NCSC services, for example:
- LGA grant for Cyber Security training and certification
 - Metacompliance Phishing simulations and learning materials
 - Network Early Warning System – vulnerability scans by NCSC

- Police Cyber Alarm
- DLUHC Cyber 360 and Cyber Assessment Framework participation and funding

4.10 Records Management

4.10.1 With increasing public access to Council records, it is important that necessary documents are retained and that records are destroyed as part of a managed process that is adequately documented. Therefore, services must have in place clearly defined arrangements for the assessment and selection of records for disposal, and for documenting this work. All record keeping procedures must comply with the Council's Document Retention and Disposal Policy.

4.10.2 The Council has an Information Asset Register which acts as a mechanism for understanding and managing the Council's information assets and the risks to them and a Record of Processing Activities (RoPA) which details the many purposes for which data is processed by the Council and associated retention requirements.

5. Strategic Direction - Future Programme of Work

5.1.1 The COPI (Control of Patient Information) emergency measure enabling greater sharing of healthcare data to support the management and mitigation of the spread and impact of the current outbreak of Covid-19 ended after two years on 30 June 2022.

5.1.2 This means that the council can no longer rely on COPI as a justification for processing data and must stop any processing which relied solely on the emergency measure. In practice, most of the Council's data is processed under alternative legal authorisation.

5.1.3 However, particularly regarding public health data, it has been necessary to ensure that data collected for the purpose of Test and Trace and support during the pandemic for vulnerable people is appropriately cleansed. This work has been carried out by the service in consultation with the Director of Public Health and the Data Protection Officer.

5.1.4 As mentioned above, arrangements for the handling of data protection support, Freedom of Information and Subject Access Requests will change in late 2022 as a result of the Business Support review. The Information Governance, Complaints and Resolution Hub within the new Customer Support Service will centralise services for FOI, EIR and SAR requests. Once established, it is anticipated that there will be improved resilience and a sharper focus on these areas. Once trained, a wider pool of staff will be available to smooth peaks of work. Enhanced reporting will be provided to services required to provide information in connection with requests, enabling issues causing delays to be identified and remedied. In combination, over time, this is expected to improve response times for FOI, EIR and SAR requests.

- 5.1.5 The data protection advisory service will also be encompassed within the Information Governance, Complaints and Resolution Hub towards the end of 2022. Policies and procedures will be updated to reflect the change.
- 5.1.6 Through 2022/23 ICT will continue to focus on adoption of Microsoft 365 technologies and the migration of existing data and applications to more secure, monitored cloud computing environments. Cyber resilience plans that have been drawn up will be exercised to ensure the Council is prepared for emergency and crisis situations.
- 5.1.7 The Council are one of eight local authorities participating in the Cyber Assessment Framework (CAF) Pilots and it is anticipated that this will be placed at the centre of future planning for cyber assessment and continuous improvement towards achieving and maintaining the standards set for local authority cyber in the UK.
- 5.1.8 Following the May 2022 local elections all councillors were provided with specific cyber security briefing and skills workshops. All staff have received email Phishing attack simulations to exercise and educate staff on the risks presented through email based attacks.
- 5.1.9 An independent assessment of the Council's cyber security was completed in late 2021. This was by an external company on behalf of Internal Audit. A report has been provided to Internal Audit and shows a marked increase in ICT and Cyber Security capability and maturity.

6. Other Options

- 6.1 It is a requirement of the Council's Information Management Strategy that an annual report is made to councillors.

7. Reason for Recommendation

- 7.1 To ensure that the Council holds personal data securely; disseminates information effectively; is transparent and enabling in its handling of information and operates within the necessary legal framework.

8. Corporate Implications

- 8.1 Contribution to Southend 2050 Road Map

Many aspects of the Southend 2050 Road Map will be underpinned by technology and data. Sound information management and the proper protection of personal data therefore contributes to all aspects of the Southend 2050 work. Providing reliable information management which is trusted will contribute to the safety of residents and enabling technological advancements will contribute to making Southend a leading digital city.

8.2 Financial Implications

Any financial implications arising from this work will be considered through the normal financial management processes. Proactively managing information can result in reduced costs to the Council by reducing exposure to potential loss (such as fines from the Information Commissioner which could be up to £17million).

8.3 Legal Implications

Information management and data protection are subject to a range of legislation, including the UK General Data Protection Regulation and Data Protection Act 2018 as amended, as detailed in this report.

8.4 People Implications

Any people implications will be considered through the Council's normal business management processes.

8.5 Property Implications

None

8.6 Consultation

Internal

8.7 Equalities and Diversity Implications

Data Protection Policies and Procedures are available on the Council's website and transactional forms are included in MySouthend. Alternative channels remain available for those customers who may not be able to access or use digital services, and reasonable adjustments for disability are made where required.

8.8 Risk Assessment

Non-compliance with the law would adversely affect the Council's reputation in the community, reduce public trust and could lead to regulatory penalties and disruption to business continuity.

8.9 Value for Money – None identified

8.10 Community Safety Implications – None identified

8.11 Environmental Implications – None identified

9. Background Papers - None

10. Appendices - None

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Southend-on-Sea City Council

Report of the Deputy Chief Executive and Executive Director (Finance and Resources)

to

Audit Committee

on

23 November 2022

Agenda
Item No.
6

Report prepared by: Pete Bates, Interim Director of Financial Services, Caroline Fozzard, Senior Finance Lead (Strategy, Sustainability and Governance) and Andrew Barnes, Head of Internal Audit

CIPFA's Financial Management Code – Progress Update

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To provide a six monthly progress update to the Audit Committee on the action plan that resulted from the Council's self-assessment undertaken in March 2022 against the expectations of CIPFA's Financial Management Code.

2. Recommendations

- 1.2 **The Audit Committee notes the progress against the Financial Management Code action plan that was reported to the Audit Committee on 27 April 2022.**
- 1.3 **The Audit Committee notes the next annual self-assessment of the Council's compliance status against CIPFA's Financial Management Code will be undertaken and reported to the Audit Committee in April 2023.**

3. Background

- 3.1 In October 2019 CIPFA published the Financial Management Code (FM Code) which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. It essentially sets the standards of financial management arrangements for local authorities.
- 3.2 It is based on a series of principles that are supported by specific standards which are considered necessary to provide the strong foundation to:
- Financially manage the short, medium and long-term finances of a local authority
 - Manage financial resilience to meet unforeseen demands on services
 - Manage unexpected shocks in their financial circumstances.
- 3.3 The FM Code has six core principles and within those it has 17 minimum standards (A-Q) that came into effect from 1 April 2020, with the first full year of compliance being the 2021/22 financial year.

- 3.4 The importance and significance for all local authorities to understand and seek compliance with the FM Code has been highlighted by the significant financial challenges facing the country and local government generally. The Council is now having to deal with huge increases in service demand post the Covid-19 pandemic combined with unavoidable rapid increases in operating costs across almost every aspect of the organisation. This is having a significant impact on the Council's approved financial plans for 2022/23. This has been reported in the Resourcing Better Outcomes – Finance and Corporate Performance Report 2022/23 – Period 4¹ and Resourcing Better Outcomes – Finance and Corporate Performance Report 2022/23 – Period 6² reports to September and November Cabinet respectively.
- 3.5 The challenge of delivering a balanced financial outturn for 2022/23 is significant. Nearly all the financial pressures that the Council is now experiencing have been caused by external factors where the Council has had no influence or control, and that have happened at great pace, since the Council's 2022/23 budget was approved in February 2022. This means that some very difficult choices and prioritisation of existing approved spending plans for both capital and revenue during 2022/23 continue to be considered and reductions urgently required.

4. Progress with the action plan

- 4.1 In March 2022 the Council reviewed and refreshed the self-assessment against each of the 17 standards contained within the FM Code. Officers in finance and audit reviewed the Council's current practices, and the evidence of their utilisation, to complete that self-assessment. The officers reviewed the evidence of the Council's current arrangements compared to the FM Code's expectations and expressed their degree of confidence about how well these arrangements met the FM Code's expectations. This resulted in a RAG rating that is being used to report the status of compliance against each standard:

Red	Not compliant
Amber	Compliant but with scope for further improvement
Green	Compliant

- 4.2 The results of the review undertaken by officers is represented by the diagram shown at Appendix 1. This illustrates that the Council was self-assessed as achieving overall compliance with the expectations of the FM Code. The Council meets the minimum expectations for all 17 standards, with good compliance for 14 standards and demonstrable compliance, but with recognised scope for further improvement for the remaining 3 standards.
- 4.3 The proposed action plan and progress to 30 September is included at Appendix 2. This plan outlines the steps that the Council is taking to deliver further improvements to existing arrangements to ensure enhanced compliance with the expectations of the FM code while also supporting the delivery of the Council's aims and priorities. This work will also be included in the Council's Change Programme underpinning the delivery of the new Corporate Plan.

¹<https://democracy.southend.gov.uk/documents/s53058/Report%20of%20Deputy%20Chief%20Executive%20Executive%20Director%20Finance%20and%20Resources.pdf>

²<https://democracy.southend.gov.uk/documents/s53882/Report%20of%20Exec%20Director%20Finance%20and%20Resources.pdf>

- 4.4 The following table sets out our assessment of the progress made against each of the standards that were self-assessed as requiring further improvement and the anticipated rating at the time of the next assessment in April 2023:

Financial Management Standard	Self-Assessment RAG rating	Anticipated RAG rating at the next Self-Assessment
A – The leadership team is able to demonstrate that the services provided by the authority provide value for money (VFM)	Amber	Amber
I - The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Amber	Green
M - The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	Amber	Amber

- 4.5 Since the above were recognised as having scope for further improvement the rapidly developing situation as set out in paragraphs 3.4 and 3.5 has meant that the Council's capacity and focus has been directed at identifying the financial sustainability challenges that it faces, taking immediate remedial actions and planning future mitigations. At the time of writing this report we were awaiting the Government's fiscal policy statement which was expected on 17th November. Understanding the implications of that statement for this authority will be crucial to determining the next steps. Whilst the actions set out in Appendix 2 are still valid and appropriate, the uncertainty due to the lack of information has meant that the momentum of delivery has slowed.
- 4.6 It should be noted that, although the Council faces challenges to its financial sustainability, this is not due to any weakening of its financial management arrangements but is instead due to external factors that are affecting the whole Local Government sector.
- 4.7 It should also be noted that the National Audit Office's Code of Audit Practice 2020 for external audit of local government that takes effect from the audit of the 2020/21 financial year has updated the approach that external auditors will be taking to delivering their review of the Council's Value for Money (VFM) arrangements. The Council's findings from the self-assessment against the FM Code has formed part of the evidence provided to the external auditors to inform their review.
- 4.8 In addition to the improvements recommended for the 4 standards rated as amber that are reported in the action plan at Appendix 2, additional work to ensure consistency and embedding of arrangements throughout the Council was also proposed to enhance the already compliant arrangements in respect of the following 3 standards:
- C: The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control
 - E: The financial management style of the authority supports financial sustainability

- N: The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.

4.9 Progress to 30 September in these three areas is as follows:

- C: The Council is:
 - undertaking a review of the Constitution that sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people, to ensure that this provides the most effective way of working
 - undertaking a review of risk management arrangements to ensure that these are operating effectively across the organisation.
- E: The Council:
 - has participated in an LGA Corporate Peer Challenge which included financial sustainability within its remit. The initial findings have been shared with the Council but the final report and recommendations are awaited
 - has engaged an independent adviser to provide insight across the sector regarding the scale of the financial challenge
 - is implementing the Knowing Your Business Programme to aid understanding of the key cost and income drivers and their effect on sustainability
 - is embedding a specific standard objective as part of the Annual Conversation performance assessment process for every officer that is part of the wider leadership group, that includes being accountable for demonstrating strong financial acumen and sound budget management.
- N: The Corporate Management Team receive monthly financial performance reports that inform about any adverse variances and emerging budgetary risks that require the development of remedial savings plans and appropriate spending reductions. Links to the reports for Periods 4 and 6 can be found on page 2 of this report. The development and content of the report will be kept under review to ensure it remains relevant and appropriate.

4.10 Whilst demonstrating best practice in all areas would always be ideal it is acknowledged that with the finite level of resources available, sensible judgements need to be made. The Council needs to have confidence in its arrangements and compliance with the Code, but also to ensure that arrangements are proportionate and represent a good use of limited available resources. The proposals in this report will be kept under review but it is considered that this fine balance has been achieved, and no extra costs will be incurred as a result of this assessment and recommended way forward.

5. Reasons for Recommendations

5.1 One of the purposes of the Audit Committee is to provide independent assurance on the adequacy of the internal control framework, therefore understanding the Council's compliance with the expectations of CIPFA (the sectors' standard setter) in respect of financial management assists the Committee to achieve this purpose.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

The corporate financial management arrangements underpin the operational effectiveness of the Council's corporate governance arrangements and specifically monitors progress of managing financial sustainability and the use of financial resources associated with the successful delivery of the Council's aims and priorities.

6.2 Financial Implications

Any financial implications arising from effectively managing the Council's financial position will be considered through the normal financial management processes. Proactively managing the Council's finances results in improved utilisation of limited resources, better VFM including reduced costs and improved outcomes for local residents.

6.3 Legal Implications

The Accounts and Audit Regulations 2015 require the Council to ensure that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions.

6.4 People Implications

Any people implications arising from managing the Council's finances will be considered through the Council's normal business management processes.

6.5 Property implications

Any property implications arising from managing the Council's finances will be considered through the Council's normal business management processes.

6.6 Consultation

Consultation has taken place with key stakeholders.

6.7 Equalities and Diversity Implications

Corporate equalities considerations have been considered in the drafting of the financial management arrangements and any specific equality related risks have been identified for the Council.

6.8 Risk Assessment

Failure to implement a robust and fit for purpose financial management framework increases the risk that Council objectives will not be delivered.

6.9 Value for Money

Effective forecasting and timely management of the finances of the Council is a key factor in preventing waste, inefficiency and unnecessary or unplanned use of resources.

6.10 Community Safety Implications

Any community safety implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

6.11 Environmental Impact

Any environmental implications arising from managing the Council's finances will be considered through the Council's normal business management processes.

7. Background Papers

- CIPFA's Financial Management Code 2019
- CIPFA's Financial Management Code Guidance Notes 2020

8. Appendices

- Appendix 1 – Illustration of Self-Assessment Findings
- Appendix 2 – FM Code Progress Against Action plan

Financial Management Code – Illustration of Self-Assessment Findings

Leadership	Accountability	Transparency	Standards	Assurance	Sustainability
A. The leadership team is able to demonstrate that the services provided by the authority provide value for money.	D. The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government Framework (2016)</i> .	L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial plan and annual budget.	H. The authority complies with the CIPFA <i>Prudential Code for Capital Finance in Local Authorities</i> .	C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	E. The financial management style of the authority supports financial sustainability.
B. The authority complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government</i> .	P. The chief finance officer has personal and statutory responsibility for ensuring the statement of accounts produced by the local authority complies with the reporting requirements of the Code.	M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decision.	J. The authority complies with its statutory obligations in respect of the budget setting process.	F. The authority has carried out a credible and transparent financial resilience assessment.	G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
O. The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	Q. The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.		K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	N. The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	I. The authority has a rolling multi-year medium term financial plan consistent with sustainable service plans.

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FINANCIAL MANAGEMENT CODE – SELF ASSESSMENT UNDERTAKEN IN MARCH 2022

ACTION PLAN FOR STANDARDS WHERE SOME IMPROVEMENTS ARE PROPOSED – PROGRESS UPDATE

	Financial Management Standard	RAG rating	Actions needed	Ownership	End date	Progress to 30 th September 2022
49	A The leadership team is able to demonstrate that the services provided by the authority provide value for money (VFM)	Amber	<p>To continue to increase understanding within the Council of what represents value for money (VfM) in a local context so that continued prominence and consideration can be given to VfM in all reports and discussions.</p> <p>To continue with the implementation and embedding of the Knowing Your Business (KYB) Programme to aid understanding of the key cost and income drivers and their impact on securing economy, efficiency and effectiveness from all Council's resources.</p> <p>To assess and evaluate what action has been undertaken by service leads as a result of receiving CIPFA's publication 'A guide to support VFM for public managers'.</p> <p>To review progress against the annual performance objective that was assigned to every member of the wider leadership group to evidence VFM outcomes and to embed the requirements and understanding of the Knowing Your Business Programme within their individual teams/service areas.</p>	Corporate Management Team	March 2023	<p>The external auditors are currently undertaking their review of the Council's VfM arrangements as part of completing their audit of the 2020/21 Statement of Accounts. Initial indications are that no significant areas of concern have been identified.</p> <p>In light of the unprecedented financial challenges over the medium to long term, VfM considerations have been brought into sharper focus. Grant Thornton has been engaged to provide independent advice to the Council with the scale of the financial challenge. They will provide independent insight from across the sector which should help to identify potential tactical and strategic opportunities for savings and service change.</p> <p>A series of Knowing Your Business facilitated service self-assessment workshops are planned to take place with members of the Senior Leadership Network over the coming months.</p> <p>Mid-year reviews of performance and development are due to be completed by mid-December. Progress against that objective can then be assessed.</p>

	Financial Management Standard	RAG rating	Actions needed	Ownership	End date	Progress to 30 th September 2022
50	I The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Amber	<p>To work with the Portfolio holder for Corporate Services and Performance Delivery to further embed medium-term financial planning within the organisation at an operational level to ensure strategic financial planning is not only consistent with but is also integrated into all relevant service delivery plans.</p> <p>To continue to increase the understanding and awareness of cost drivers, demand pressures, customer insight, benchmarking intelligence and consideration of income/commercial opportunities throughout the Council.</p> <p>To continue to enhance the level of resilience testing of all these key drivers to assess the potential impact of changes in the type and cost of demand on the overall medium-term financial plan.</p>	Corporate Management Team	March 2023	<p>The Corporate Plan 2022 to 2026 was launched in October. This will enable more substantial and targeted service planning to be implemented from 2023/24.</p> <p>The Knowing Your Business workshops referenced in A above will involve a self-assessment of the following:</p> <ul style="list-style-type: none"> - Service purpose and plans - Measures of success - Drivers of demand - Cost Drivers - Income Generation - Efficiency and productivity - Benchmarking/comparitors - Value for Money evidence - Contract management
	M The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	Amber	<p>To embed corporate wide guidance on options appraisal methodology to enable consistency whilst maintaining a proportionate approach.</p> <p>To continue to raise awareness and understanding of the importance of Value for Money considerations and evidencing its delivery in all operational arrangements.</p>	Corporate Management Team	March 2023	<p>This work is being undertaken in conjunction with the corporate work on project and programme activity.</p> <p>Value for Money considerations have been brought into sharper focus given the significant financial challenges the Council faces. CMT have issued several communications to all staff making them aware of the position and the need to ensure all arrangements are Value for Money.</p>

Southend-on-Sea City Council

Report of Deputy Chief Executive and Executive Director
(Finance & Resources)

to

Audit Committee

on

23 November 2022

Report prepared by: Pete Bates, Interim Director of Financial
Services, Caroline Fozzard, Senior Finance Lead (Strategy,
Sustainability & Governance)

Agenda
Item No.

7

External Audit 2020/21 Status Update

A Part 1 Public Agenda Item

1 Purpose of Report

- 1.1 To provide an update to the Audit Committee on the status of the 2020/21 external audit of the Statement of Accounts and to share the updated planning intentions for the 2021/22 audit.

2 Recommendation

- 2.1 That this report is noted. A further update on progress will be provided to the January 2023 meeting of Audit Committee.

3 Background

- 3.1 The Council's external auditors, Deloitte, provided updates to the Audit Committee on 13 December 2021, 27 April 2022 and 20 July 2022 regarding the status of the 2020/21 audit of the Statement of Accounts. These updates were provided in letters dated 9 December 2021, 13 April 2022 and 1 July 2022 and an audit director or audit partner attended all meetings virtually to provide the updates and to respond to any comments.
- 3.2 The Council has been in regular dialogue with Deloitte regarding the re-commencement of their audit of the 2020/21 Statement of Accounts. In their update to Audit Committee in July, Deloitte confirmed that they had allocated team members to the 2020/21 and 2021/22 audits. At that time, they anticipated having a small engagement team to finalise a significant part of the 2020/21 audit work during July and August, with a more substantial engagement team allocated from September to November. It was anticipated that these staff bookings would enable them to address the backlog audit of 2020/21 and to complete the 2021/22 audit before the end of 2022, including the Value for Money work for both periods.

4 The 2020/21 audit

- 4.1 Southend's audit has been assigned a permanent Audit Lead, Mo Ramzan. A new audit manager was introduced to the team supported by a more experienced manager, who had worked with Local Authorities previously. The re-commencement of the 2020/21 audit began in July as planned but as Deloitte reviewed their files it became clear that there was more audit work to be done to finalise the 2020/21 audit than they had anticipated. In response to this Deloitte brought in a more substantial audit team to meet the extra workload. The majority of the audit team had not previously worked on Southend's audit, including the most senior members of the team.
- 4.2 The 2020/21 audit is taking place over a year later than it should have done, The Council's finance team have been responding to audit queries whilst also being comprehensively involved with advising the business regarding the 2022/23 financial challenge, 2023/24 budget preparations and the updated Medium Term Financial Forecast, during a time of huge uncertainty. The audit questions relate to a period which could range anywhere from over 2½ to over 1½ years ago which has created some real difficulties and severe capacity challenges for finance staff. It should be noted that, with the exception of a few last remaining items, every request has been responded to.
- 4.3 Given all the circumstances set out in paragraphs 4.1 and 4.2 the 2020/21 audit has taken longer to complete than anticipated. However, Deloitte's audit is substantially complete subject to finalisation of a few matters, as set out in their Report to Those Charged with Governance elsewhere on this agenda. In previous years, upon receiving that report, the Audit Committee would then be asked to adopt the Statement of Accounts and approve it for publication. However, for 2020/21 there are two remaining items that prevent that from happening at this stage.
- 4.4 There is a national issue regarding the reporting of infrastructure assets, which are assets such as the Council's network of roads, footpaths and cycleways, its bridges, coastal defences and street furniture (such as road signs and street lighting). Accounting for infrastructure assets in Local Government has not historically been considered to be an area of significant audit risk. However, recent concerns have been raised by Local Government auditors that, due to historical information deficits regarding these assets, local authorities are unable to provide sufficient evidence to demonstrate that these assets are being accounted for in accordance with the Code of Practice on Local Authority Accounting. This has led to delays to audit completion for many authorities and the potential risk of widespread accounts qualifications.
- 4.5 A long-term solution is being sought but due to the complexity of the issue this will necessarily take time. So to meet the immediate need to mitigate the risks of widespread qualifications of local authority accounts and delays to audit, the Government and CIPFA are going to issue the following over the next couple of months:
- The Department for Levelling Up, Housing and Communities (DLUHC) will be issuing a Statutory Instrument which is expected to give the option of a statutory override regarding partial replacement of infrastructure assets.

DLUHC have released a draft version of the Statutory Instrument and have issued a “call for evidence”, to which the Council has responded via their online survey.

- CIPFA are due to issue guidance which is expected to remove the requirement to disclose the gross cost and accumulated depreciation. They are also due to issue a technical bulletin that will include further details about how authorities should apply the new requirements.

Discussion is ongoing with Deloitte about the reporting of infrastructure assets in the Council’s accounts in the context of this national issue. Both parties await the publication of the above documents before any conclusions can be reached.

- 4.6 The Council’s group accounts for 2020/21 include 50% of the figures for Porters Place Southend-on-Sea LLP. In their 2020/21 Annual Report and Financial Statements the LLP have disclosed a material uncertainty relating to the partnership’s ability to continue as a going concern. At the time their accounts were signed, Swan Housing Association were going through a merger with Orbit Group and that was planned for 1st October 2022. This merger did not happen and Swan Housing Association are now in discussions with Sanctuary, one of the largest housing associations in the country. The availability of the Junior Loan Facility funding from Swan Housing Association and ongoing support from the JV partner is dependent on the completion of this merger.
- 4.7 Nevertheless, the LLP’s Annual Report and Financial Statements disclose that, after considering the uncertainties, the Members of the joint venture have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months following the approval of the financial statements. Therefore, the LLP continued to adopt the going concern basis of accounting in preparing their 2020/21 financial statements.
- 4.8 Given the above, the Council and Deloitte await the outcome of the merger of Swan and Sanctuary before assessing any potential impact on the Councils Statement of Accounts for 2020/21.

5 The 2021/22 audit

- 5.1 Deloitte has issued the records required listing for the 2021/22 audit and the Council’s finance team are underway with uploading the necessary audit evidence to Deloitte’s secure document site. Based on what has been uploaded so far, Deloitte have begun their 2021/22 audit planning. The timescale for the main audit work to be undertaken is yet to be determined, however it is anticipated that the 2021/22 audit will be able to benefit from the experience and lessons learned in completing the 2020/21 audit.

6 Value for Money assessment

- 6.1 Deloitte have been provided with all the information they have requested in order to make an assessment of the Council's Value for Money (VfM) arrangements for 2020/21 and 2021/22. Their VfM work is substantially complete and they intend to issue a combined Auditors Annual Report which will cover the conclusions of their VfM work for 2020/21 and 2021/22. To date they have not identified any significant weakness in the arrangements to secure economy, efficiency and effectiveness in the use of resources. This is consistent with the Council's self-assessment against the expectations of CIPFA's Financial Management Code, for which the progress update is included elsewhere on this agenda.

7 Reasons for Recommendations

- 7.1 For the members of the Audit Committee to be kept up to date with the latest situation regarding the 2020/21 independent audit of the Statement of Accounts and to also share the updated audit planning intentions for the 2021/22 Accounts.

8 Corporate Implications

- 8.1 Contribution to the Southend 2050 Road Map

Operating robust and appropriate governance arrangements contributes to the delivery of all Council aims and priorities.

The accuracy, format and content of the Statement of Accounts are key determinants in maintaining the Council's reputation for financial probity and effective financial stewardship.

- 8.2 Financial Implications

The Statement of Accounts is required to present a true and fair view of the Council's financial position as at the end of the financial year and also the income and expenditure for the financial year.

- 8.3 Legal Implications

The Statement of Accounts is a statutory document required by the Accounts and Audit Regulations 2015 issued by the Secretary of State. Those regulations require that the audited Statement of Accounts 2020/21 are adopted and published by 31 July 2021. These arrangements had been updated for the 2020/21 financial year by the Accounts and Audit (Amendment) Regulations 2021 to 30 September 2021.

In accordance with Regulation 10 of the Accounts and Audit (England) Regulations 2015 notice was given that the conclusion of the audit of the Statement of Accounts for Southend on Sea Borough 2020/21 had been delayed.

8.4 People Implications

There are no people implications arising from this report.

8.5 Property Implications

There are no property implications arising from this report.

8.6 Consultation

There are no consultation implications arising from this report.

8.7 Equalities Impact Assessment

There are no equalities implications arising from this report.

8.8 Risk Assessment

There is the risk of reputational damage if the Council's audited Statement of Accounts are not published by the statutory deadlines.

8.9 Value for Money

The audit arrangements are due to include an independent value for money assessment.

8.10 Community Safety Implications

There are no community safety implications arising from this report.

8.11 Environmental Impact

There are no environmental implications arising from this report.

9 Background Papers

None

10 Appendices

None

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Southend-on-Sea City Council

Report of the Deputy Chief Executive and Executive
Director (Finance and Resources)

to

Audit Committee

on

23 November 2022

Agenda
Item No.

8

Report prepared by: Deloitte External Auditor

Deloitte: Report to the Audit Committee on the audit for the year ended 31 March 2021

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1. This report summarises the results of the work completed to date for the 2020/21 financial year with regard to:
- the opinion on the Statement of Accounts
 - the commentary on the Council's Value for Money arrangements conclusion).

2. Recommendation

- 1.2. The Committee accepts the Report to the Audit Committee on the audit for the year ended 31 March 2021.**

3. Background

- 1.3. A senior representative of Deloitte (the appointed External Auditor to the Council) will present this report to the Audit Committee and respond to Members' questions.

4. Corporate Implications

- 1.4. Contribution to the Southend 2050 Road Map
- Audit work provides assurance and identifies opportunities for improvements that contribute to the delivery of all Southend 2050 outcomes.
- 1.5. Financial Implications
- The fee for the audit work is set by Public Sector Audit Appointments Limited and agreed with the Council before the start of the audit. Issues arising during the course of the audit can impact on the audit fee payable.

1.6. Legal Implications

The Council is required by statute to have an external audit of its activities that complies with the requirements of the Code of Audit Practice (the Code) issued by the National Audit Office. By considering this report, the Committee can satisfy itself that this requirement is being discharged.

1.7. People Implications

None

1.8. Property Implications

None

1.9. Consultation

The contents of this report has been discussed and agreed with the Executive Director of Finance and Resources.

1.10. Equalities and Diversity Implications

None

1.11. Risk Assessment

Periodically considering whether the external auditor is delivering the agreed Annual Audit Plan helps mitigate the risk that this statutory requirement is not met.

1.12. Value for Money

The report includes an update on the auditor's work on Value for Money. The auditor's commentary will be contained in the combined Auditors Annual Report for 2020/21 and 2021/22 once finalised.

1.13. Community Safety Implications

None

1.14. Environmental Impact

None

5. Background Papers

None

6. Attachment: Deloitte Report to the Audit Committee on the audit for the year ended 31 March 2021



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Southend-on-Sea City Council*

Report to the Audit Committee on the 2020/21 audit

Issued on 15 November 2022 for the meeting on 23 November 2022

* Up until 1 March 2022 Southend on Sea City Council was known as Southend on Sea Borough Council, as our report relates to the Council activities before this date, we have referred to the Council as a Borough Council throughout.

Deloitte Confidential: Government and Public Services

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Introduction

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our final report to the Audit Committee of Southend-on-Sea Borough Council (the Council) for the 2020/21 audit. The scope of our audit was set out within our planning report presented to the Committee in April 2021.

Status of our Statement of Accounts audit

Our audit is substantially complete subject to finalization of the following principal matters:

- Finalisation of testing and queries on Grants, Payables, Receivables (including the provisioning for bad debts), the Group Accounts and certain disclosure notes;
- The Council is also monitoring developments in respect of Porters Place and national developments in respect of Infrastructure assets, the implications of which may need to be reflected in the financial statements;
- receipt of final financial statements;
- completion of internal quality assurance procedures;
- receipt of signed management representation letter; and
- our review of events since 31 March 2021 through to signing.

We acknowledge that there have been long delays in completing the audit. This has been caused by a number of factors including resourcing constraints experienced across the sector.

We have included a section in this report providing observations arising from the work we have undertaken on the areas of significant risk and other areas of audit focus reported to you in our audit planning report.

We will provide an oral update on these matters including an update regarding the status of the audit at the meeting.

Status of our Value for Money audit

Our Value for Money work is substantially complete, and will be reported to the Audit Committee in our Auditor's Annual Report. The NAO have issued supplementary guidance (SGN02) which makes it possible to issue VFM commentary in one document, which covers two years. We intend to issue a combined Auditors Annual Report which will cover the conclusions of our VFM work for 2020/21 and 2021/22 explicitly.

To date, we have not identified any significant weakness in arrangements to secure economy, efficiency and effectiveness in the use of resources.

We have no matters to report by exception in our financial statement audit opinion to date.

Introduction

The key messages in this report (continued)

Conclusions from our testing

- The key judgements in the audit process related to:
 - valuation of investment properties and Property Plant and Equipment (hereafter referred to as PPE);
 - Capitalisation of expenditure; and
 - recognition of Covid 19 grant income
- We have not identified any significant audit adjustments or disclosure deficiencies. All adjustments noted during testing has been corrected by management in the financial statements.
- Based on the current status of our audit work, we envisage issuing an unmodified audit opinion, with no reference to any matters in respect of the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources, or the Annual Governance Statement.

Narrative Report & Annual Governance Statement

- We have reviewed the Council's Annual Report & Annual Governance Statement to consider whether it is misleading or inconsistent with other information known to us from our audit work.
- The Annual Governance Statement complies with the Delivering Good Governance guidance issued by CIPFA/SOLACE.
- We have no matters to raise with you in respect of the Narrative Report.

Duties as public auditor

- We did not receive any queries or objections from local electors this year.
- We have not identified any matters that would require us to issue a public interest report. We have not had to exercise any other audit powers under the Local Audit and Accountability Act 2014.

Whole of Government Accounts (WGA)

We are only required to report our overall audit opinion and key issues from our audit to the National Audit Office following completion of the audit. No additional procedures are required for the purpose of the National Audit Office as the Council is not a sampled component for reporting to the National Audit Office to gain comfort over the WGA.

Introduction

The key messages in this report (continued)

Impact of Covid-19 grants and change in significant risk assessment

Following the issuance of the audit plan, we completed a risk assessment of Covid-19 funding streams. This risk assessment highlighted the need for the Council to make significant judgements around the recognition and treatment of Covid-19 grant funding in the 2020/21 financial statements. Given the level of judgement involved, we have decided to treat Covid-19 grant income as a significant audit risk. Further information regarding the work performed and our conclusions on this risk can be viewed on page 8 and 9.

Infrastructure assets

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 requires authorities to derecognise the gross cost and accumulated depreciation on infrastructure assets when a major part / component of that asset has been replaced or decommissioned. We are assessing if the Council has a process to identify components or types of assets with shorter useful lives and derecognise parts of its infrastructure which have been replaced. There is a risk that infrastructure assets may contain parts which have been replaced, and other components may need to depreciate over shorter period and we may not be able to quantify the adjustment required. This is an ongoing discussion across the sector, and it is anticipated that further guidance in relation to accounting for infrastructure assets is expected over the coming months. Please refer to page 14 and 15 for more detail.

Mohammed Ramzan
Audit lead

Responsibilities of the Audit Committee

Helping you fulfil your responsibilities

Why do we interact with the Audit Committee?

To communicate audit scope

To provide timely and relevant observations

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To provide additional information to help you fulfil your broader responsibilities

As a result of regulatory change in recent years, the role of the Audit Committee has significantly expanded. We set out here a summary of the core areas of Audit Committee responsibility to provide a reference in respect of these broader responsibilities and highlight throughout the document where there is key information which helps the Audit Committee in fulfilling its remit.

- At the start of each annual audit cycle, ensure that the scope of the external audit is appropriate.
- Make recommendations as to the auditor appointment and implement a policy on the engagement of the external auditor to supply non-audit services.

Oversight of external audit

Integrity of reporting

Internal controls and risks

- Review the internal control and risk management systems (unless expressly addressed by separate board risk committee).
- Explain what actions have been, or are being taken to remedy any significant failings or weaknesses.

Oversight of internal audit

Whistle-blowing and fraud

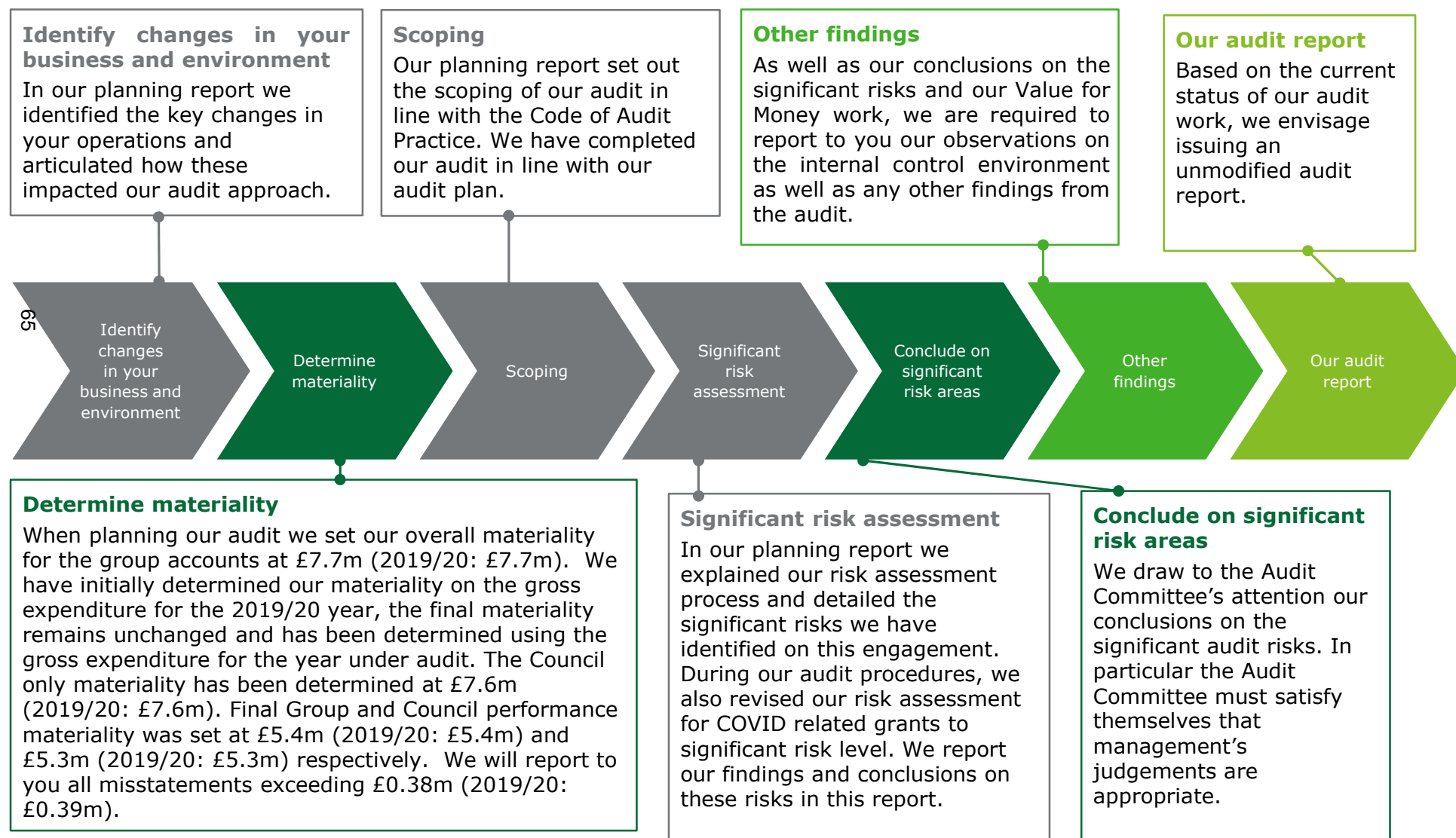
- Ensure that appropriate arrangements are in place for the proportionate and independent investigation of any concerns raised by staff in connection with improprieties.

- Impact assessment of key judgements and level of management challenge.
- Review of external audit findings, key judgements, level of misstatements.
- Assess the quality of the internal team, their incentives and the need for supplementary skillsets.
- Assess the completeness of disclosures, including consistency with disclosures on business model and strategy and, provide advice in respect of the fair, balanced and understandable statement.

- Monitor and review the effectiveness of the internal audit activities.

Our audit explained

We tailor our audit to your organisation and your strategy



Significant risks

Recognition of Covid-19 grant income

Risk identified

ISA 240 states that when identifying and assessing the risks of material misstatement due to fraud, the auditor shall, based on a presumption that there are risks of fraud in revenue recognition, evaluate which types of revenue, revenue transactions or assertions give rise to such risks.

We have assessed the income streams of the Council, the complexity of the recognition principles and the extent of any estimates used, and concluded that, with the exception of the funding received in 2020/21 in response to the Covid-19 pandemic, there is no significant risk of fraud.

During 2020/21, the Council has received additional funding in relation to Covid-19 grants of £51.3m. In addition, there are a number of business support schemes designed to help eligible businesses during the Covid-19 pandemic that are being administered by Councils on behalf of Central Government, the total value of this funding was £57.0m.

We have pinpointed the significant risk to the completeness and accuracy of the funding recognised in the Council's financial statements and the completeness and accuracy of the agency arrangement disclosures, where the Council has acted as an agent on behalf of Central Government in administering Covid-19 grants.

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The key judgements for management are assessing:

- Any conditions associated with the Covid-19 grants; and
- Whether the Council is acting as a principal or agent in administering the Covid-19 schemes, and how this is subsequently recognised in both the Comprehensive Income and Expenditure Statement and Balance Sheet.

Deloitte response and challenge

We have completed the following procedures:

- Assessed the design and implementation of the controls in relation to the accounting treatment of all COVID-19 related funding.

We are in the process of completing the following procedures:

- Tested a sample of funding for Covid-19 grants and confirmed these have been recognised in accordance with any conditions applicable, including appropriate recognition in both the Comprehensive Income and Expenditure Statement and Balance Sheet; and
- Considered the adequacy of disclosures in the financial statements, including accounting policies and where relevant critical accounting judgement and key sources of estimation uncertainty disclosures.

Significant risks (continued)

Recognition of Covid-19 grant income (Continued)

**Deloitte
response
and
challenge
(Continued)**

We have completed the following procedures (Continued):

Tested the agency arrangement disclosures to confirm, where it is concluded that the Council is acting as an agent, that:

- the transactions have been excluded from the Comprehensive Income and Expenditure Statement;
- the Balance Sheet reflects the debtor or creditor position at 31 March 2021 in respect of cash collected or expenditure incurred on behalf of the principal; and
- the net cash position at 31 March 2021 is included in the financing activities in the Cash Flow Statement.

Conclusion

We are finalising our audit work in this area. We have noted recommendations in respect of the controls around the Covid grants. Please see page 27 for more detail.

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Significant risks (continued)

Valuation of property assets

Risk identified	<p>The Council is required to hold dwellings, other land and buildings within Property, Plant and Equipment and Investment Properties at valuation. The valuations are by nature significant estimates which are based on specialist and management assumptions and which can be subject to material changes in value.</p> <p>The Council held dwellings of £411m (2019/20: £375m) and other land and buildings of £263m (2019/20:£266m) at 31 March 2021 which are required to be recorded at current or fair value at the balance sheet date. The authority also holds £39m (2019/20: £41m) of commercial investment property. The increase in property assets from prior year is mainly due to additions in dwellings and revaluation movements.</p> <p>The Council updates the valuation of its properties using a rolling revaluation programme. The main assets which were revalued in the year were the council dwellings, investment properties, garages and hostels within the Housing Revenue Account.</p>
Deloitte response and challenge	<p>We have completed the following procedures:</p> <ul style="list-style-type: none">• We have reviewed the design and implementation of the controls in place in relation to property valuations;• We have considered the work performed by the Council's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;• We have engaged our valuation specialists, Deloitte Real Estate, to review and challenge the appropriateness of the assumptions used in the valuation of the Council's property assets;• We sample tested key asset information used by the Council's valuers in performing their valuation, such as gross internal areas, back to supporting documentation;• We have reviewed assets not subject to valuation in 2020/21 to confirm that the remaining asset base is not materially misstated;• We have considered the impact of Covid-19 on the valuation of property assets and ensured, where necessary, the Council has reflected the impact in their valuations; and• We have reviewed the presentation of revaluation movements, and the disclosures included in the Statement of Accounts.
Conclusion	<p>After concluding our work, we have no matters to bring to the attention of the Audit Committee.</p>

Significant risks (continued)

Management override of controls

Risk identified	<p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although management is responsible for safeguarding the assets of the Council, we planned our audit so that we had a reasonable expectation of detecting material misstatements to the Statement of Accounts.</p>
Deloitte response and challenge	<p>We have considered the overall sensitivity of judgements made in preparation of the Statement of Accounts, and note that:</p> <ul style="list-style-type: none"> • The Council's results throughout the year were projecting overspends in operational areas. This was closely monitored and whilst projecting overspends, the underlying reasons were well understood; and • Senior management's remuneration is not tied to particular financial results. <p>We have considered these factors and other potential sensitivities in evaluating the judgements made in the preparation of the financial statements.</p>
69	<p>Journals</p> <ul style="list-style-type: none"> • We have tested the design and implementation of controls in relation to journals. • We have made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • We have used Spotlight data analytics tools to test a sample of journals, based upon identification of items of potential audit interest. Our analysis has covered all journals posted in the year. <p>Significant transactions</p> <ul style="list-style-type: none"> • We did not identify any significant transactions outside the normal course of business or any transactions where the business rationale was not clear.

Significant risks (continued)

Management override of controls (continued)

Deloitte response and challenge

Accounting estimates

- We have performed design and implementation testing of the controls over key accounting estimates and judgements.
- The key judgements in the financial statements are those selected as significant audit risks and other areas of audit interest as discussed elsewhere in this report.
- We reviewed accounting estimates for biases that could result in material misstatements due to fraud. We note that overall the changes to estimates in the period were balanced and did not indicate a bias to achieve a particular result.
- We tested accounting estimates and judgements, focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources.

Conclusion

We have not identified any significant bias in the key judgements made by management based on work performed to date.

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We have not identified any instances of management override of controls in relation to the specific transactions tested based on work performed to date.

Significant risks (Continued)

Capitalisation of expenditure

Risk identified	<p>At the time of publishing the 2020/21 financial statements, it has been noted that as part of the Medium Term Financial Strategy, the Council had a substantial capital programme of £216m over the next five years. The capital programme included £66.3m spend in 2020/21.</p> <p>Determining whether or not expenditure should be capitalised can involve judgement as to whether costs should be capitalised under International Financial Reporting Standards.</p> <p>The Council has greater flexibility of the use of revenue resource compared to capital resource. There is also, therefore, an incentive for officers to misclassify revenue expenditure as capital. We have therefore identified classification of capital expenditure as a fraud risk in the financial statements.</p>
Deloitte response and challenge	<p>We have tested the design and implementation of controls around the capitalisation of costs.</p> <p>We have selected a sample of additions in the year to test whether they have been appropriately capitalised in accordance with the accounting requirements. This sample included Assets Under Construction.</p>
Conclusion	<p>After concluding our work, we have no matters to bring to the attention of the Audit Committee.</p>

Significant risks (continued)

Valuation of infrastructure assets

Background Infrastructure assets are inalienable assets, expenditure on which is only recovered by continued use of the asset created. They include carriageways, structures, street lighting, street furniture and traffic management systems, and are measured in the accounting code at historical cost.

The accounting code requires that where a component of an asset is replaced:

- the cost of the new component should be reflected in the carrying amount of the infrastructure asset; and
- the gross costs and accumulated depreciation of the old component should be derecognised to avoid double counting.

Auditors have identified that local authorities in the UK have not been properly accounting for infrastructure assets since the move to IFRS in 2020/21 due to information deficits. This is particularly the case in relation to roads, where the engineering records used for maintenance have not been created to map against identifiable components.

CIPFA/ LASAAC attempted to resolve the issues and undertook an urgent consultation on temporary changes to the code. However, it was unable to agree an approach that addressed the concerns of all stakeholders whilst also supporting high quality financial reporting.

This has resulted in the Department for Levelling Up, Housing and Communities (DLUHC) agreeing to provide a statutory instrument, which will help resolve some of the issues identified, whilst a permanent solution is identified. DLUHC are still in the process of drafting the statutory instrument, but a finalised instrument is expected in the coming months.

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Significant risks (continued)

Valuation of infrastructure assets (continued)

Risk identified

The Council reflects a net book value of £112.5m (2019/20: £102.5m) in relation to infrastructure assets as at yearend. Per inspection of the fixed asset register and per inquiry with management we have noted the following:

1. An average of £13.3m additions to infrastructure assets has been noted over the last 5 years with no disposals noted at all over the 5 year period. Per inquiry with management there were no disposals made as in accordance with the code infrastructure assets are described as inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use.

As the client has had material infrastructure asset additions, but has not recognised any infrastructure asset disposal we believe that the client is not accounting for infrastructure assets in line with the requirements of paragraph 4.1.2.21 of the Code.

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2. For the useful economic lives (hereafter referred to as UEL) for infrastructure assets a detailed exercise was carried out in 2012/13 to determine the average length of time each type of asset is in use for before it needs to be replaced. Apart from the assessment of UELs for street lighting in 2017/18 no other assets' UELs have not been reassessed since.

Due to the above factors we deem the risk associated to the valuation of the infrastructure assets to be significant for our audit purposes.

Significant risks (continued)

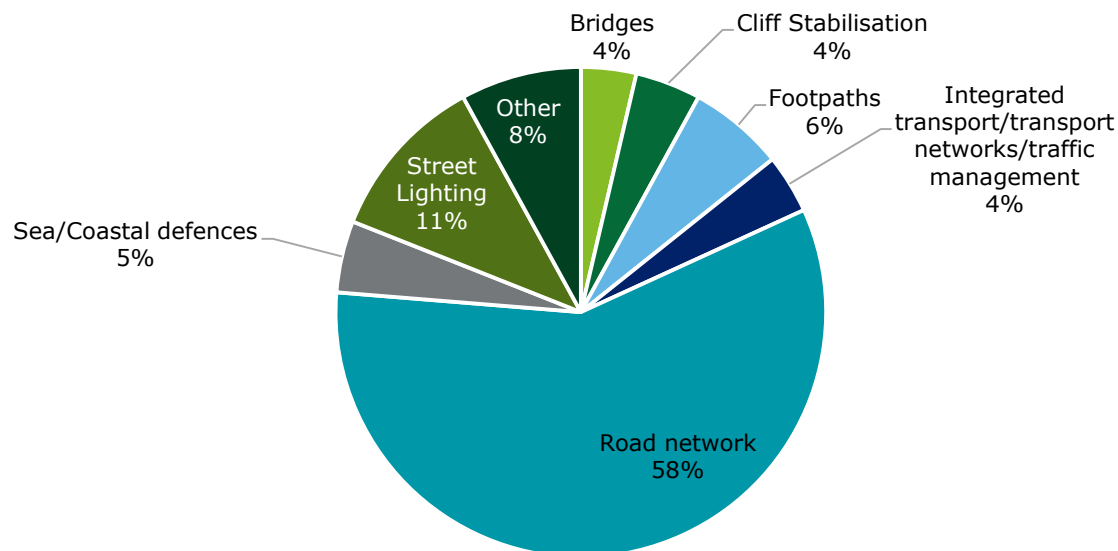
Valuation of infrastructure assets (continued)

Deloitte response and challenge

We are working with management to address the concerns noted which resulted in the identification of this significant risk.

As soon as we have further clarity on the infrastructure accounting with the issuance of the statutory instrument and have further information from management on the items flagged per our risk identified we will assessed the reasonableness of the judgements made and disclosures reflected to confirm our comfort over the balances for infrastructure assets.

Infrastructure assets at 31 March 2021



Other areas of audit focus

Pension liability valuation

Risk identified

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme (LGPS). The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's Balance Sheet. Per the draft financial statements at 31 March 2021, this totalled £169.6m (2019/20: £144.5m). As a result of this being an estimated balance there is a risk that inappropriate inputs and assumptions are used, which could result in the pension liability valuation being materially misstated.

Deloitte response and challenge

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We have completed the following procedures:









- We obtained a copy of the actuarial report for the Council produced by Barnett Waddingham, the scheme actuary, and agreed the report to the Statement of Accounts pension disclosures.
 - We reviewed the disclosures made in the Statement of Accounts against the requirements of the Code.
 - We liaised with the audit team of Essex Pension Fund to obtain assurances over the information supplied to the actuary in relation to the Council.
 - We assessed the independence and expertise of the actuary supporting the basis of reliance upon their work.
 - We reviewed and challenged the assumptions made by Barnett Waddingham, including benchmarking as shown in the table on the following page.
 - We assessed the reasonableness of the Council's share of the total assets of the scheme with the Pension Fund financial statements.
-

Other areas of audit focus (continued)

Pension Liability Valuation (continued)

Review of assumptions used by actuary




As part of our testing, we reviewed the assumptions used by the actuary and have set out below our assessment of the assumptions used in the IAS19 valuation.

Assumption	Council	Benchmark	Deloitte Assessment
Discount rate (% p.a.)	2%	1.90-2.15%	
Retail Price Index (RPI) Inflation rate (% p.a.)	2.8%	2.50-2.90%	
Consumer Price Index (CPI) Inflation rate (% p.a.)	3.8%	Council specific	
Salary increase (% p.a.) (over RPI inflation)	2.8%	2.70-2.85%	
2 Pension increase in payment (% p.a.)	22	23	
Pension increase in deferment (% p.a.)	23	24.70	
Mortality - Life expectancy of a male pensioner from age 65 (currently aged 65)	2%	1.90-2.15%	
Mortality - Life expectancy of a male pensioner from age 65 (currently aged 45)	2.8%	2.50-2.90%	

Conclusion

After concluding our work, we have no matters to bring to the attention of the Audit Committee.

Assessment key

-  In reasonable range
-  Towards limit of reasonable range
-  Optimistic or Prudent

Covid-19 pandemic

Impact on reporting and our audit

Requirements

CIPFA has issued guidance highlighting the importance of considering the impact of Covid-19 in preparation of the 2020/21 financial statements, including communicating risks and governance impacts in narrative reporting. This is consistent with the Financial Reporting Council's guidance to organisations on the importance of communicating the impact of Covid-19 and related uncertainties, including their impact on resilience and going concern assessments.

Entity-specific explanations of the current and expected effects of Covid-19 and the Council's plans to mitigate those effects should be included in the narrative reporting (including where relevant the Annual Governance Statement), including in the discussion on Principal Risks and Uncertainties impacting an organisation.

As well as the effects upon reserves, financial performance and financial position, examples of areas highlighted by CIPFA include the impact on service provision, changes to the workforce and how they are deployed, impacts upon the supply chain, cash flow management, and plans for recovery. Risks highlighted include those relating to subsidiaries and investments, capital programmes, and resilience of the community including partner organisations and charities.

Actions

A thorough assessment of the current and potential future effects of the Covid-19 pandemic is required including:

- A detailed analysis across the council's operations, including on its income streams, supply chains and cost base, and the consequent impacts on financial position and reserves;
- The economic scenario or scenarios assumed in making forecasts and on the sensitivities arising should other potential scenarios materialise (including different funding scenarios);
- Any material uncertainties relating to the council's financial position, the financial sustainability of the Council, and the potential requirement for a section 114 notice; and
- The effect of events after the reporting date, including the nature of non-adjusting events and an estimate of their financial effect, where possible.

Covid-19 pandemic

Impact on reporting and our audit (continued)

Impact on the Council	Impact on Statement of Accounts	Impact on our audit
<p>We have considered the key impacts on the business such as:</p> <ul style="list-style-type: none">• Interruptions to service provision.• Supply chain disruptions.• Unavailability of personnel.• Reductions in income.• The closure of facilities and premises. <p>82</p>	<p>We have considered the impact of the outbreak on the Statement of Accounts (including the financial statements), discussed further on the next page including:</p> <ul style="list-style-type: none">• Principal risk disclosures• Impact on property, plant and equipment• Valuation of commercial or investment properties• Impact on pension fund investment measurement and impairment• Financial sustainability assessment• Events after the reporting period and relevant disclosures• Narrative reporting• Impairment of non-current assets• Allowance for expected credit losses	<p>We have considered the impact on the audit including:</p> <ul style="list-style-type: none">• Resource planning• Timetable of the audit• Impact on our risk assessment• Logistics including meetings with entity personnel.

Covid-19 pandemic

Impact on reporting and our audit (continued)

	Potential Impact on Statement of Accounts	Audit response
79	<p>Impact on property, plant and equipment</p> <p>The Royal Institute of Chartered Surveyors issued a practice alert in March 2020 as a result of which valuers identified a material valuation uncertainty at 31 March 2020 for most types of property valuation, resulting in disclosure in financial statements and “emphasis of matter” paragraphs in audit reports. By September 2020 RICS considered that there was no longer material uncertainty over valuations from that date, and therefore valuations at 31 March 2021 are not expected to be affected by material valuation uncertainties. However, the ongoing financial impact of the pandemic has impacted valuations, both through demand for particular asset types and weakening the financial standing of tenants. The Council needs to consider its approach to the measurement of property, plant and equipment (where property held at current value is based on market valuations) and the Council should consider with their valuers the impact that Covid 19 has had on current values. The Council will also need to consider whether there are any indications of impairment of assets requiring adjustment at 31 March 2021.</p>	<p>The Council has considered its approach to the measurement of property, plant and equipment (PPE). Where property held at current value is based on market valuations, the Council considered with their valuers the impact that Covid-19 has had on current value. The Council also considered whether there was any indications of impairment of assets requiring adjustment at 31 March 2021.</p> <p>There is no material uncertainty disclosed in the Statement of Accounts and we have concluded that this is appropriate based on our work on property valuations, (see page 10). Our work included challenge as to whether the Council had appropriately considered the impact of Covid-19 on the valuation. Disclosures of the key judgements in this area are made in the notes to the financial statements.</p>
	<p>Valuation of commercial or investment properties</p> <p>Following the Covid-19 pandemic, the fair value measurements for financial instruments and investment properties held by the Council needs to be reviewed against the conditions and assumptions at the measurement date. Although volatility is lower relative to 31 March 2020, there have been significant market movements during the year which may impact valuations.</p>	<p>The Council has considered its approach to the measurement of Investment property (IP). Where property held at current value is based on market valuations the Council considered with their valuers the impact that Covid-19 has had on current value. The Council also considered whether there are any indications of impairment of assets requiring adjustment at 31 March 2021.</p> <p>The is no material uncertainty disclosed in the Statement of Accounts as expected relating to IP.</p>

Covid-19 pandemic

Impact on reporting and our audit (continued)

	Potential Impact on Statement of Accounts	Audit response
Expected credit losses	Since 31 March 2020, there has been a significant downturn in economic activity, with many businesses and individuals significantly impacted. The Council will need to consider the provision for credit losses for receivables, including for expected credit losses for assets accounted for under IFRS 9.	For non-public sector debtors consideration is needed of the impact on the required level of provision for expected credit losses under IFRS 9. The Council reflected an increase in debtor balances on prior year and we noted that the Council has increased its level of provisioning as well. We are in the process of completing our work, which includes the consideration of the impact of Covid 19 on the provisioning levels.
Covid-19 grants	Our judgement is that the significant risk at the Council relates to the recognition of grants with terms and conditions attached, specifically around the new grants received in year relating to Covid-19 where terms and conditions may be less clear and there is no historical basis for the accounting treatment. There is a risk that the Council will recognise the income before the terms and conditions of the Covid-19 grants have been met. There are also a number of grants relating to Covid-19, such as the business rates relief, where management need to determine if they are acting in the capacity of an Agent or Principal.	<p>We have tested the design and implementation of key controls in place around the recognition of Covid-19 grant income;</p> <p>We have reviewed the accounting treatment of new Covid-19-related grants for 2020/21 to confirm that they have been correctly accounted for as either an Agent or Principal arrangement; and</p> <p>We have tested a sample of grants including the new Covid-related grants to ensure that any terms and conditions were met prior to recognition as income.</p>
Narrative and other reporting issues	<p>The following areas will need to be considered by local authorities as having been impacted on by the Covid-19 pandemic.</p> <ul style="list-style-type: none"> • Narrative reporting as well as the usual reporting requirements will need to cover the effects of the pandemic on services, operations, performance, strategic direction, resources and financial sustainability. • Reporting judgements and estimation uncertainty, the Council will need to report the impact on material transactions including decisions made on the measurements of assets and liabilities. 	We note that the narrative report adequately discloses matters related to Covid-19, including risks, potential impacts and other issues. The report is compliant with the guidance in this area.

Covid-19 pandemic

Impact on reporting and our audit (continued)

	Potential Impact on Statement of Accounts	Audit response
Impact on pension fund investment measurement	As a result of the Covid-19 pandemic pension fund investments have been subject to volatility. At 31 March 2021, we noted that the Council’s share of pension fund assets had moved by £132.6m.	<p>We engaged early with the Pension Fund auditor to not only gather information for year-end measurements but to also understand any estimation techniques and any changes to those techniques that may be needed to measure the financial instruments. Where such volatility exists it may mean that the inputs used in the fair value measurement may change and may require a change of measurement technique, and consideration of the level of uncertainty in valuations where there is significantly more estimation.</p> <p>Our audit work has been completed and did not identify any material misstatement.</p>

Value for money

Our work is on-going and will be reported in our Auditor's Annual Report

Value for Money requirements

We are required to consider the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources. Under the revised requirements of the Code of Audit Practice 2020 and related Auditor Guidance Note 03 ('AGN03'), we are required to:

- Perform work to understand the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources against each of the three reporting criteria (financial sustainability, governance, and improving economy, efficiency and effectiveness);
- Undertake a risk assessment to identify whether there are any risks of significant weaknesses in arrangements;
- If any risks of significant weaknesses are identified, perform procedures to determine whether there is in fact a significant weakness in arrangements, and if so to make recommendations for improvement;
- Issue a narrative commentary in the Auditor's Annual Report, setting out the work undertaken in respect of the reporting criteria and our findings, including any explanation needed in respect of judgements or local context for findings. If significant weaknesses are identified, the weaknesses and recommendations will be included in the reporting, together with follow-up of previous recommendations and whether they have been implemented. Where relevant, we may include reporting on any other matters arising we consider relevant to Value for Money arrangements, which might include emerging risks or issues arising; and
- Where significant weaknesses are identified, report this by exception within our financial statement audit opinion.

Work performed to obtain an understanding of the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources

As part of our risk assessment, we have reviewed the summary of Value for Money arrangements prepared by the Council, reviewed supporting documentation on arrangements, and held follow-up interviews on areas where additional information was required.

In addition, we have:

- reviewed of the Council's draft Annual Governance Statement;
- reviewed internal audit reports through the year and the Head of Internal Audit Opinion
- considered issues identified through our other audit and assurance work; and
- considered the Council's financial performance and management throughout 2020/21.

Value for money

Our work is on-going and will be reported in our Auditor's Annual Report (continued)

Work performed to obtain an understanding of the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources (continued)

We have also obtained an understanding of:

- The changes in governance processes as a result of Covid-19;
- The changes to control processes as a result of Covid-19; and
- The processes and controls put in place in order to deal with the Covid-19 business support schemes.

Findings of our work

Our Value for Money work is substantially complete, and will be reported in full in our Auditor's Annual Report. The NAO have issued supplementary guidance (SGN02) which makes it possible to issue VFM commentary in one document, which covers two years. We intend to issue a combined Auditors Annual Report which will cover the conclusions of our VFM work for 2020/21 and 2021/22 explicitly.

As part of our procedures to date, we have not identified any significant weakness in arrangements to secure economy, efficiency and effectiveness in the use of resources.

We have no matters to report by exception in our financial statement audit opinion.

Your control environment and findings

High-level impact on our approach

ISA (UK) 315 requires we obtain an understanding of internal control relevant to the audit. It is a matter of the auditor's professional judgment whether a control, individually or in combination with others, is relevant to the audit. We do not test those controls we do not consider relevant to the audit. Below we provide a view, based on our audit procedures, on the effectiveness of your system of internal control relevant to the audit risks that we have identified.



Area	Deloitte comment	Maturity CY/PY
Recognition of COVID-19 grant income	The audit team identified a control deficiency in one of the key controls in relation to the COVID-19 grant income. Please see page 27 for more detail.	
Valuation of property assets	No deficiency was identified in the design and implementation of the controls in the process.	
Management override of controls	No deficiency was identified in the design and implementation of the controls in the process	
Capitalization of expenditure	No deficiency was identified in the design and implementation of the controls in the process	

Key: Mature Developing Lagging

Your control environment and findings

Control deficiencies and areas for management focus

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>During our testing of the key controls in relation to covid-19 grants we have noted that the Council do not maintain a revenue grant register.</p> <p>We acknowledge that tracking of grants has been done by individual service lines, however without a central revenue grant register, the Council cannot monitor grants received; track expenditure against the amount awarded; and ensure any conditions have been met.</p>	2022, medium, control activities	We recommend that management maintain a central revenue grant register – both for covid-19 and non-covid grants.	Management has agreed and have prepared a revenue grant register to be maintained centrally going forward.

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported to you.

Our audit report

The form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report.



Our opinion on the financial statements

Our audit is substantially complete with a few areas of the audit in progress. We will update the Audit Committee when we have completed our procedures but we are expecting to issue an unmodified audit opinion



Emphasis of matter and other matter paragraphs

To date, there are no matters we judge to be of fundamental importance in the financial statements that we consider it necessary to draw attention to in an emphasis of matter paragraph.

There are no matters relevant to users' understanding of the audit that we consider necessary to communicate in an other matter paragraph.



Value for Money reporting by exception

Our opinion will note that our Value for Money work is substantially complete and will be reported in our Auditor's Annual Report.

To date, we have no matters to report by exception in our financial statement audit opinion.



Irregularities and fraud

We will explain the extent to which we considered the audit to be capable of detecting irregularities, including fraud.

In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations. We will discuss the areas identified where fraud may occur and any identified key audit matters relating to fraud.

Recent changes to ISAs (UK) mean this requirement will apply to **all** entities for periods commencing on or after 15 December 2019.

Your annual report

We are required to report by exception on any issues identified in respect of the Annual Governance Statement.

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	Requirement	Deloitte response
Narrative Report	<p>The Narrative Report is expected to address:</p> <ul style="list-style-type: none"> • Organisational overview and external environment; • Governance; • Operational Model; • Risks and opportunities; • Strategy and resource allocation; • Performance; • Outlook; and • Basis of preparation 	<p>We have assessed whether the Narrative Report has been prepared in accordance with CIPFA guidance.</p> <p>We have also read the Narrative Report for consistency with the annual accounts and our knowledge acquired during the course of performing the audit, and is not otherwise misleading.</p> <p>We note that the Narrative Report was updated for the implications of Covid-19.</p>
Annual Governance Statement	<p>The Annual Governance Statement reports that governance arrangements provide assurance, are adequate and are operating effectively.</p>	<p>We have assessed whether the information given in the Annual Governance Statement meets the disclosure requirements set out in CIPFA/SOLACE guidance, is misleading, or is inconsistent with other information from our audit. No issues were noted from our review.</p>

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Audit Committee and the Council discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Report.
- Our internal control observations.
- Other insights we have identified from our audit.

∞ The scope of our work

Our observations are developed in the context of our audit of the financial statements.

We described the scope of our work in our audit plan.

Use of this report

This report has been prepared for the Council, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the Audit Committee.

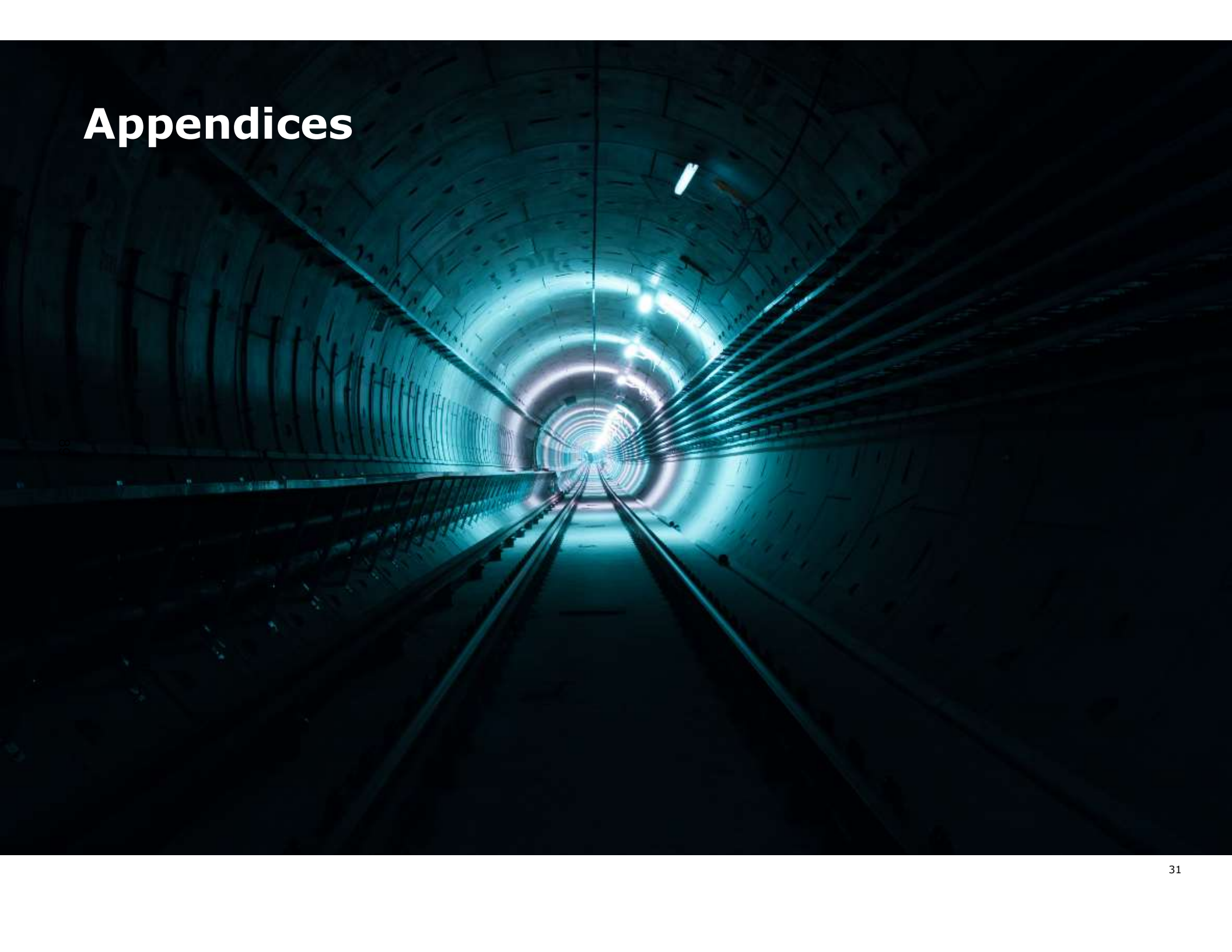
Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and work under the Code of Audit Practice in respect of Value for Money arrangements.

We welcome the opportunity to discuss our report with you and receive your feedback.

Deloitte LLP
Birmingham | 15 November 2022

Appendices



Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation	We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the Council and will reconfirm our independence and objectivity to the Audit Committee for the year ending 31 March 2021 in our final report to the Audit Committee.
Fees	There are no non-audit fees.
Non-audit services	We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.
Relationships	We have no other relationships with the Authority, its members, officers and affiliates, and have not supplied any services to other known connected parties.

The professional fees expected to be charged by Deloitte for the period from 01 April 2020 to 31 March 2021 are as follows:

	Current year £'000	Prior year £'000
Financial statement audit including Whole of Government and procedures in respect of Value for Money assessment	159	120
Total audit	159	120

The value set out here is as estimated at the time of our Audit Plan. This represents an increase to the scale fee for the audit of £109k.

In line with PSAA correspondence that scale fees should be negotiated by individual s151 officers based on the individual circumstances of each body, we will discuss the final position with the Council on completion of the 2020/21 audit.

All additional fees are subject to agreement with PSAA.

Our approach to quality

AQR team report and findings

Executing high quality audits remains our number one priority. We are committed to our critical public interest role and continue to embed our culture of quality and excellence into all of our people. This includes using new technology and tools to continue to transform our audit approach.

In July 2021 the Financial Reporting Council ("FRC") issued individual reports on each of the seven largest firms, including Deloitte, on Audit Quality Inspections providing a summary of the findings of its Audit Quality Review ("AQR") team for the 2020/21 cycle of reviews.

We greatly value the FRC reviews of our audit engagements and firm wide quality control systems, a key aspect of evaluating our audit quality.

In that context, overall FRC inspection results, showing an improvement since last year from 76% to 79% of all inspections assessed as good or needing limited improvement, reflect the progress we are making. The overall profile of our ICAEW inspections and our internal inspection programme also show a similar overall improvement since last year.

The results for the inspections of FTSE 350 entities fell short of our overall scores, reflecting specific findings on those particular audits rather than issues pervasive across other audits. Our objective continues to be for all of our audits to be assessed as good or needing limited improvement and we know we still have work to do in order to meet this standard.

We agree with and accept the FRC's findings on the individual inspections. The FRC has recognised improvements following the actions and programmes for previous years and we welcome the good practice points raised, including in respect of

impairment and revenue where individual findings continue to occur.

Overall, we are pleased that there have been no significant findings over our firm wide processes and controls over the last three inspection cycles in the areas subject to rotational review by the FRC. However, we are continually enhancing our processes and controls across our business and such changes will directly or indirectly affect audit quality.

All the AQR public reports are available on its website.

<https://www.frc.org.uk/auditors/audit-quality-review/audit-firm-specific-reports>

Our approach to quality

AQR team report and findings

The AQR's 2020/21 Audit Quality Inspection Report on Deloitte LLP

"We reviewed 19 individual audits this year and assessed 15 (79%) as requiring no more than limited improvements. Of the 11 FTSE 350 audits we reviewed this year, we assessed eight (73%) as achieving this standard".

"Our key findings related primarily to the need to:

- Improve the evaluation and challenge of management's key assumptions of impairment assessments of goodwill and other assets.
- Enhance the consistency of group audit teams' oversight of component audit teams.
- Strengthen the effectiveness and consistency of the testing of revenue."

"The firm has taken steps to address the key findings in our 2019/20 public report, with actions that included increasing the extent of consultations, and enhanced learning, coaching and support programmes.

We have identified improvements, for example, in the extent of challenge of management by audit teams in respect of the estimates used for model testing. This was identified as a key finding last year.

We also identified good practice in a number of areas of the audits we reviewed (including robust procedures relating to going concern and evidence to support the challenge of management in areas of key judgement) and in the firm-wide procedures (including establishing a centre of excellence focused on credit for banking audits to encourage the consistent application of the firm's methodology and guidance)."

Our approach to quality

AQR team report and findings

Improve the evaluation and challenge of management's key assumptions of impairment assessments of goodwill and other assets

How we have addressed this area as a firm

To address this finding, we have done, or plan, the following:

- We refreshed our Impairment Centre of Excellence ("COE") to establish clear partner leadership and introduced frequent communication touchpoints to share best practice, hot topics and technical updates.
- We performed a risk focused strategic allocation of impairment specialists for a selection of December 2020 audit engagements, taking into account industry knowledge and experience. Going forward we will seek to involve the EQCR partner to determine whether the allocated specialist should have industry knowledge or whether generalist knowledge would provide an enhanced independent challenge to an industry focused engagement team.
- We will update our impairment guidance notes and consultation document to include specific risk criteria which require further discussion with a panel of specialists, including, but not limited to, where the audit team develop their own model or where cashflow forecasts extend beyond a commonly used period.
- The launch of the Digital Blueprint project management tool will assist teams in prioritising their time across all areas of the audit.
- We will hold workshops with our partners and directors to bring to life the common causes that have led to FRC findings and to ensure greater consistency in expectations in respect of the expected depth of review.
- We have introduced a new coaching program to support the development of primary reviewing skills and to identify any reviewing skills gaps which need addressing.

- To respond to the poor quality and untimely preparation of information by the company for audit, we expect, where appropriate, to increase the communication with management and those charged with governance so that there are clearer expectations in respect of the quality of information prepared for audit.
- We have updated our impairment template memo to reflect the most recent inspection findings we will develop additional training materials on hot topics and areas of regulatory focus, for example, guidance to assist in the challenge of cash flow assumptions and cost reduction initiatives.
- We also developed a new template to support teams in auditing accounting estimates in response to the requirements of ISA (UK) 540 revised 'Auditing Accounting Estimates & Related Disclosures'.

How we addressed this area in our audit

- Southend Council recorded an impairment charge on its Property, plant and equipment. Refer to page 10 for our audit approach.

Our other responsibilities explained

Fraud responsibilities and representations



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.



Audit work performed:

In our planning, we identified the risk of fraud in the recognition Covid-19 grant income, capital expenditure and management override of controls as a significant audit risk.

During course of our audit, we have had discussions with management and those charged with governance including the Head of Internal Audit.

In addition, we have reviewed management's own documented procedures regarding fraud and error in the financial statements.

We have reviewed the paper prepared by management for the on the process for identifying, evaluating and managing the system of internal financial control.

Required representations:

We have asked the Council to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you have disclosed to us all information in relation to fraud or suspected fraud that you are aware of and that affects the Council.

We have also asked the Council to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

Concerns:

No significant concerns have been identified from our work





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Southend-on-Sea Borough Council

Report of the Deputy Chief Executive and Executive
Director (Finance and Resources)

to

Audit Committee

on

23 November 2022

Report prepared by Shaun Dutton, Counter Fraud &
Investigations Manager

Agenda
Item No.

9

Counter Fraud & Investigation Team: Quarterly Performance Report

A Part 1 Public Agenda Item

1. Purpose of report

- 1.1 To update the Audit Committee on the progress made by the Counter Fraud & Investigation Team (CFIT) in delivering the Counter Fraud Strategy and Work Programme for 2022/23.

2. Recommendation

- 2.1 **The Audit Committee notes the performance of the Counter Fraud & Investigation Team over the last three months.**

3. Introduction

- 3.1 This month marks the three year anniversary of the current Counter Fraud Service and is a useful moment to consider the progress the team have made:
- In 2019/20 the team was operational for six months and dealt with **198** cases, providing a benefit to the Council of **£172,156**. This was despite staffing turbulence and the advent of the Covid-19 pandemic.
 - In 2020/21 the team dealt with **328** cases, providing a benefit to the Council of **£330,427**. Of course, the Covid-19 pandemic continued to provide challenges during this year.
 - In 2021/22 the team dealt with **416** cases, providing a benefit to the Council of **£692,793**.
- 3.2 The team has developed from having just two officers in early 2020 to now having four full-time investigators, a fraud investigator apprentice, and a manager. Also, one officer is now an Accredited Financial Investigator with another officer on this training pathway.

- 3.3 As mentioned above, the team has welcomed a Counter Fraud Investigator Apprentice this month. While there is likely to be an impact on the team's productivity in the short term due to training and mentoring activities, this is an investment that is expected to produce a significant boost to the team's productivity in the medium term. Should the Apprentice perform well and pass her course, funding has been agreed to offer her a two year fixed term contract as a Junior Investigator to provide her with experience for her future career and the Council with a return on the training.
- 3.4 Since the last report to the Committee, CFIT have:
- Conducted a proactive Blue Badge fraud detection and deterrence exercise in Leigh and Southend. Approximately 50 badges were inspected, and three investigations have been launched as a result.
 - Conducted a proactive Tenancy fraud detection and deterrence exercise on a tower block in Leigh, identified by South Essex Homes (SEH) as having a high level of anti-social behaviour and low interaction. 59 tenancies were visited, one investigation has been launched as a result so far with enquiries outstanding on a further 19 tenancies.
 - Provided fraud awareness training to SEH tenancy and support officers.
 - Provided blue badge fraud awareness training to all APCOA Civil Enforcement Officers.
 - Gained agreement from Workforce Development that all new starters at the Council will be provided with an introduction to the work of CFIT, a reminder of the standards of behaviour expected from the Council's employees, and instructions on how to make a Declaration of Interest.
 - Renewed the Council's information sharing Memorandum of Understanding with HM Revenues and Customs.
 - Commenced an assessment programme targeting tenants that have built up a significant credit balance on their rent accounts. This is a 'red flag' for subletting or money laundering. Currently there are 129 tenants with a rent account credit more than £1,000. This programme is running alongside the officers' normal caseload.
 - Successfully prosecuted two individuals for fraud offences (see below).
- 3.5 Furthermore, CFIT have been granted funding to acquire specialist financial investigation software which is expected to substantially decrease the time investigators spend analysing financial material and to increase the accuracy of analysis results. This will enhance our financial investigation capabilities, make prosecutions for money laundering offences more likely to be successful, and increase returns to the Council. Procurement have approved this purchase and the most appropriate implementation is currently being considered by ICT.
- 3.6 CFIT are also in the early stages of formulating a Council-wide fraud risk assessment, the aim of which is to identify all the fraud risks the Council faces and the actions to mitigate or protect against them. This is a substantial undertaking and will be a long-term project, the first stage of which is to identify all the areas of the Council's business that are likely to be vulnerable to fraud.

3.7 The team has been extremely busy over this quarter and have been working to reduce a persistent backlog of cases awaiting investigation. To cope with the increased demand we have been experiencing, steps have been taken to free officers' time to concentrate on their investigations:

- To postpone a planned tenancy fraud exercise from October 2022 to March 2023 (the Work Plan has been amended to reflect this).
- To pause the assessment of tenants with large rent credits for two months.

It is expected that, as our Apprentice can independently adopt more tasks, this will result in investigators having more time to focus on investigations and the backlog of cases will reduce and the tenancy assessments can resume.

4. The threat from fraud

4.1 Fraud has grown rapidly in recent years and now accounts for more than 40% of all crime in England and Wales. Estimates by the National Crime Survey show that there were 4.6 million fraud offences committed in the year ending March 2021. This is equal to the total theft and violent crime offences combined¹.

However, the police have only 2% of their resources dedicated to fraud investigation, despite it making up more than 40% of all crime². A 2019 inspection of the police's response to fraud found that these offences are generally not considered to be a priority³.

Although the national response to the threat from fraud is improving, the scale of the threat is beyond the resources of our law enforcement agencies to tackle it alone. A significant focus of this response is focused on enabling businesses, individuals, and local authorities to protect themselves.

4.2 An indication of the increasing threat to the Council is demonstrated by a 2013 estimate⁴ suggesting that fraud may be costing UK local authorities £2.1bn a year. This compares to a 2017 estimate⁵ that the total annual loss to local authorities from fraud may be as high as £7.8bn.

This is a rise of £1.4bn a year: although the increase is likely to be exponential, using this figure extrapolates to **£14.8bn** in UK local authority loss from fraud in 2022.

4.3 The national fraud guidance for local authorities⁶ is placing an increased emphasis on proactive fraud prevention initiatives and our current Work Plan has been guided by this (**Appendix 1**).

¹ Victims Commissioner, 2021

² House of Commons Justice Committee, 2022

³ Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services, 2019

⁴ National Fraud Office 2013

⁵ Centre for Counter Fraud Studies, University of Portsmouth, 2017

⁶ *Fighting Fraud and Corruption Locally: A strategy for the 2020s*, Local Government Association, 2020

5. Investigations

5.1 Since 1 April 2022, CFIT have dealt with, or are investigating, 306 cases (94 of these cases started prior to that date).

5.2 Since the last report to the Committee⁷, we have received 141 new cases.

5.3 Of the total 306 investigations:

- 213 have been concluded.
- 93 investigations are active:
 - 52 are currently being investigated.
 - 7 are with Legal Services for prosecution.
 - 34 are waiting assignment to an investigator.

5.4 A breakdown of these investigations can be found at **Appendix 2**.

5.5 Our current prosecutions relate to:

- 2 offences concerning procurement fraud,
- 2 offences relating to Business Rates Small Business Rates Relief fraud,
- 1 offence relating to grant fraud (non-covid), and
- 2 offences relating to Blue Badge fraud.

5.6 Results this period⁸ include:

- A successful prosecution for Covid grant fraud resulting in a sentence of 180 hours unpaid work and the award of £379.69 in costs. The £20,193 of fraudulently obtained grant funding will also be recovered.
- A successful prosecution for blue badge fraud resulting in a £660 fine and the award of £27.29 costs.
- £4,781.75 of recovered Council Tax Single Person Discount.
- £38,474.21 of recovered Business Rates Small Business Rates relief.
- £40,193 of recovered Covid grant funds.
- £6,670 of fraudulently applied for Covid grant funds prevented.
- A fraudulent application for a Right to Buy (RTB) refused and the individual is unable to be party to a RTB application in the future. This has saved £87,200 in RTB discount. A further two RTB applications have been refused following an assessment by CFIT. A total of 21 RTB applications have been assessed during this period.
- Two properties recovered, saving the Council £43,000.

⁷ The figures for that report were compiled on 29/06/2022.

⁸ 26/09/2022 to 07/11/2022

- Three employees referred to HR for misconduct and a further three referred for failing to make a Disclosure of Interest. One employee has been dismissed for employment application fraud.
- Seven individuals have been cautioned over blue badge misuse and two misused badges have been seized, saving the Council £1,150.
- 14 referrals were made to the DWP and a further 6 referrals were made to other agencies, including the Police.
- 52 Data Protection Act requests for information from outside agencies were responded to.

6. Fraud prevention

6.1 CFIT's fraud prevention strategy is comprised of:

- Raising the awareness of the risk of fraud in all staff.
- Maintaining adequate controls in policies and procedures.
- Highlighting new frauds and information sharing.
- Deterrence by publicising our results.
- Deterrence by having a high visibility in the community by conducting proactive detection and deterrence exercises.

6.2 The Fighting Fraud in Local Government Course, written by CFIT, has been completed by 684 officers and is rated 4.5 out of 5 stars. The Monthly Fraud Update is a newsletter for staff and the public highlighting current risks of fraud and providing advice as to how people can protect themselves. This reaches over 700 individuals.

6.2 CFIT are currently developing a Money Laundering Awareness Course targeted at those areas of the business most at risk of being used to launder criminal proceeds but will be available to all staff.

6.3 The successful prosecutions mentioned above were publicised through the local press and this will continue to be done with vigour.

6.4 As mentioned above, CFIT will be engaging in Internal Audit's work to provide a fraud risk assessment and recommendations to strengthen any identified vulnerabilities.

6.5 CFIT have issued 15 fraud alerts to various teams within the Council during the year highlighting current and emerging fraud threats that affect their areas of the Council's business.

7. The National Fraud Initiative (NFI)

- 7.1 The NFI is a central government exercise that matches electronic data within and between public sector bodies to prevent and detect fraud. These bodies upload their data to a central service which then produces data matching reports. This process runs on a 2-year cycle.
- 7.2 An example of this is matching household non-dependents who have turned 18 with households in receipt of Council Tax Single Person Discount (SPD) (the non-dependent ceases to be such when they reach this age and SPD can no longer be claimed).
- 7.2 CFIT operates as the local coordinator and key contact for the NFI at Southend Borough Council: centrally organising the upload of data and the processing of returns.
- 7.3 CFIT have reinvigorated the Council's engagement with this exercise since its formation and this year's cycle is expected to produce increased returns on the results of previous exercises.
- 7.4 The previous NFI cycle has now closed and the next cycle has commenced. We are currently coordinating the data gathering and upload processes. We have identified staff members to process the data matches when they are received and their training will commence once the upload has completed.
- 7.5 The results of the current data matching exercise will be released to the Council in January 2023, and we expect to start receiving reports of suspected fraud once these have been processed.

8. Corporate implications

Contribution to the Southend 2050 Road Map

- 8.1 The team's work to reduce fraud, protect the council from fraud and corruption, to pursue offenders and to recoup properties and money from the convicted contribute to the delivery of all the council's aims and objectives.
- 8.2 It does this by protecting and recovering the assets and funds that the council holds.
- 8.3 Furthermore, proactive fraud and corruption work, alongside the reactive prosecution of offenders, acts as a deterrent for such activities and assists in the identification of financial loss and loss of assets.
- 8.4 Such proactive counter fraud work can result in reduced costs to the Council by protecting it against potential loss and civil or insurance claims.

Financial implications

- 8.5 The work of the Counter Fraud and Investigation Team will be delivered within the approved budget. Any financial implications arising from identifying and managing fraud risk will be considered through the normal financial management processes.

As noted at paragraph 3.1 the Counter Fraud and Investigation team has delivered £692,793 benefit to the Council through its activities.

Legal implications

- 8.6 The Accounts and Audit Regulations 2015 section 3 states that:

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

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives*
- Ensures that the financial and operational management of the authority is effective*
- Includes effective arrangements for the management of risk.”*

- 8.7 The work of the Counter Fraud & Investigation Team contributes to the delivery of this.

- 8.8 Where fraud or corruption is proved the Council will:

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

People implications

- 8.9 People issues that are relevant to delivering individual investigations, or the Workplan, will be considered as part of each piece of work, and Human Resources consulted as appropriate.

Property implications

- 8.10 Properties could be recovered through the investigation of housing tenancy fraud or assets recovered as the proceeds of crime. Such action will benefit the Council by returning social housing stock for the use of those in most need, recovering the assets of those who seek to profit from criminal behaviour and deterring others from considering such activity.

Consultation

- 8.11 The progress with investigations and delivery of the Workplan are periodically discussed through monthly meetings with key stakeholders and with Directors before being reported to Corporate Management Team and the Audit Committee.

Equalities Impact Assessment

- 8.12 The relevance of equality and diversity issues is considered during the initial planning stage of each investigation and piece of development work delivered, with Human Resources consulted as appropriate

Risk assessment

- 8.13 Failure to operate a strong anti-fraud and corruption culture puts the Council at risk of increased financial loss from criminal activity. Such a culture should be led and supported by the Senior Management Team.
- 8.14 While risk cannot be eliminated from the Council's activities, implementing counter fraud and corruption policies and culture will contribute to managing this more effectively.

Value for money

- 8.15 An effective Counter Fraud and Investigation Team should save the Council money by:
- Reducing the opportunities to perpetrate fraud; this is reducing potential losses to future budgets.
 - Detecting fraud promptly and applying relevant sanctions where it is proved; this limits the losses to fraud and corruption.
 - Pursuing perpetrators to recover losses and to seek compensation; this limits the losses to fraud and corruption.
 - Recovering properties; this reduces the strain on the social housing stock and reduces the cost of temporary accommodation to future budgets.
 - Limiting the cost of investigation and pursuit of offenders by the application of alternate sanctions where appropriate; this provides a cost-effective service.
 - Generate an income for the Council through the provision of counter fraud awareness training to the Council's partners and service providers and the provision of an investigation/prosecution service to appropriate partners.

Community Safety

- 8.16 These issues are only considered if relevant to a specific investigation, or piece of development work, undertaken.

Environmental Impact

- 8.17 These issues are only considered if relevant to a specific investigation, or piece of development work, undertaken.

Appendices

Appendix 1 – Counter Fraud Work Plan 2022/23

Appendix 2 – Breakdown of CFIT investigations

Southend-on-Sea City Council

Finance & Resources Service

Deputy Chief Executive and Executive Director Finance & Resources: Joe Chesterton

Civic Centre, Victoria Avenue, Southend-on-Sea, Essex SS2 6ER

Counter Fraud & Investigation Team

Working to make
lives better
www.southend.gov.uk



Appendix 1 – Counter Fraud Work Plan 2022/23

KEY:

Denotes proactive activities
Denotes prevention/protection activities
Denotes development activities

Area	Activity	Target date	Current status	Resource requirement (officers)	Responsible officer	Completed date
Counter fraud	Maintain business as usual through management of the caseload, timely investigation of referrals towards a prompt, efficient and fair resolution, proactive fraud detection initiatives and the provision of advice and training to the wider council.	Ongoing	Business as usual is being maintained, the team is at its full complement, albeit with a backlog of cases which is at a manageable level.	5	Shaun DUTTON	ONGOING
Council Tax	Joint working agreement with DWP for cases involving the Council Tax Reduction scheme.	March 2023	Information provided by the DWP suggests that their fraud investigation capability is not engaging at a local level. This makes a local joint working agreement impossible and therefore this activity is on hold pending resumption of local DWP investigations. This situation will be monitored.	2	Shaun DUTTON Caroline MERCIECA	ONGOING



@southendbc



SouthendBCOfficial



southendbc



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OFFICIAL

Area	Activity	Target date	Current status	Resource requirement (officers)	Responsible officer	Completed date
			The lack of DWP engagement with local authorities is a subject of national concern at the moment and is being addressed through the Fighting Fraud and Corruption Locally group.			
Council wide	Promote Declaration of Interest registration across the Council.	November 2022	Currently in the planning stage.	1	David GILL	
Council wide	Internal publicity campaign to highlight the work and reporting mechanisms of the fraud team.	Ongoing	Avenues to increase the team's profile across the Council are being explored. The monthly fraud newsletter's audience is expanding and now reaches approximately 700 recipients.	1	Shaun DUTTON	ONGOING
		November 2022	Programme of publicity and talks to raise staff awareness of the importance of Declarations of Interest and how to make these.	1	Shaun DUTTON	
		November 2022	Publicity campaign to highlight International Fraud Awareness Week.	1	Shaun DUTTON	
		October 2022	Develop an Anti Money Laundering Awareness Course for all staff.	1	Caroline MERCECA	
		May 2022	Engage with new starters in the Council at the point of induction to publicise CFIT,	1	Shaun DUTTON	

OFFICIAL

Area	Activity	Target date	Current status	Resource requirement (officers)	Responsible officer	Completed date
			raise awareness of fraud and how to report it, and highlight the standards of behaviour and responsibility expected. This is expected to evolve into an induction eLearning course.			
Housing	Pro-active fraud detection and deterrence exercises on social tenancies.	May 2022	To be targeted in areas at high risk of subletting. Appropriate areas of activity will be determined during the planning stage.	5	Paul BROADBENT	21/05/2022
		August 2022			James COUSEN	27/08/2022
		October 2022	Due to the current workload on the team, this activity has been postponed to March 2023.		David GILL	
Housing	Review of SBC tenancy terms and conditions to strengthen the counter fraud message and encourage cooperation with the counter fraud team.	May 2022	The South Essex Homes' tenancy T&Cs are under review and we are making an active contribution.	1	David GILL	10/05/2022
Council wide	Fraud risk and process analysis of areas of the Council's business at high risk of fraud through participation in internal audits.	Ongoing	This work will be performed alongside Internal Audit's programme of work with risk assessment findings incorporated into their reports. This has the effects of adding more weight to any recommendations made and contributing to a closer working relationship between the two teams.	2-5	Shaun DUTTON	ONGOING

OFFICIAL

Area	Activity	Target date	Current status	Resource requirement (officers)	Responsible officer	Completed date
			CFIT continue to issue specific post-investigation reports recommending process / policy improvements that would provide a greater protection from fraud where appropriate.			
Blue Badge	Proactive fraud detection and deterrence exercise on Blue Badges	June 2022 July 2022 October 2022	Plain clothes exercise Joint exercise with APCOA, this was not achieved due to the caseload of the team. Plain clothes exercise. This has been delayed due to the team's workload.	5	Shaun DUTTON	01/07/2022 NOT ACHIEVED
Blue Badge	Deliver Blue Badge enforcement update training to APCOA CEOs.	May 2022	The training has been written and has now been delivered.	1	Shaun DUTTON	08/08/2022
Benefits	Trial the new approach agreed with the Benefits Team to increase enforcement of Council Tax Reduction Scheme fraud without recourse to the DWP.	March 2023	In action.	1	Shaun DUTTON	
Business Rates	Research project to determine best practice and effective methods of combatting Business Rates fraud. Trail the joint working initiative aimed at addressing the issue of NNDR evasion by 'pop up' shops in the High Street (The High Risk Commercial Premises Protocol)	March 2023 March 2023	This project is waiting to be assigned. This is now live.	2	TBD Shaun DUTTON	ONGOING

OFFICIAL

Business Rates / Council Tax	Proactive review of second homes rented out as a business to evade Council Tax liability by claiming SBRR.	November 2022	Currently conducting research with other local authorities who have claimed success with this activity.	2	David GILL James COUSEN	
Counter fraud	Develop a financial investigator capability.	March 2023	Funding has been agreed to train two officers in Financial Investigation. One officer has now completed the Financial Investigator Course. One officer has commenced on the pathway to training. This is dependent on course availability.	3 2	Shaun DUTTON Caroline MERCECA David GILL	April 2022
Counter fraud	Recruit a Counter Fraud Investigator Apprentice	August 2022	The apprentice joined the team in October and will be starting formal training at the end of that month.	1	Shaun DUTTON	03/10/2022
Specific teams	Training in specific counter fraud techniques to be delivered to identified teams: <ul style="list-style-type: none"> False document identification Other opportunities to be determined through internal audits. 	March 2023	This is currently being developed. Fraud Awareness training delivered to all South Essex Homes tenancy officers and support staff.	2	Shaun DUTTON David GILL	May 2022

Various	Investigate the use of technology and data matching to identify and target the risks of fraud against the Council. Develop targeted proactive exercises to act on the results.	March 2023	This is aspirational and dependent upon a variety of factors such as information sharing agreements, the availability, cost and complexity of tools required to do this, staff training etc. Enquiries into the feasibility of this will be conducted as and when workload commitments allow.	2-4	Shaun DUTTON David GILL	ONGOING
		June 2022	Membership of CIFAS. This will allow the Council access to the National Fraud Database and the Enhanced Internal Fraud Database. These enable increased fraud intelligence gathering and risk assessment, enhanced employee and supplier vetting checks, enhanced evidence collection and data matching across live and current data sets from across the public and private sectors. A funding bid has been submitted for CIFAS membership. This aspiration has been abandoned due to the tight financial environment and pending the results of the above action.	1	Shaun Dutton	NOT ACHIEVED
	Undertake a Single Person Discount fraud drive that reduces fraudulent discounts, increases council tax revenue, and increases the council tax base.	March 2023	Research currently being undertaken to identify third party data analysis providers, and best practice from other	1	David GILL	

			local authorities who have experience with this.			
Residents	Conduct a programme of presentations to local community groups and residents' associations to highlight the risks of fraud and how to protect self and the council.	Ongoing	These will be on a no more than monthly basis and the first talk has been delivered. Contacts are being collected from interested groups.	1	Shaun DUTTON	ONGOING
Counter fraud	Develop 'income generation' opportunities through: <ul style="list-style-type: none"> Counter fraud training initiatives for SBC partners and service providers An investigation and prosecution service to local Housing Associations Provision of a Financial Investigation service to other SBC teams and possibly other local authorities. 	TBD	This is aspirational at this time and development will be dependent upon how the team progresses over the coming 12 months. This cannot be explored at the expense of our ongoing workload commitments or pro-active and prevention activities.	TBD	Shaun DUTTON	

Work Plan 2022/23 Calendar

Proactive detection and deterrence work (in bold) involves working long hours and usually results in a lot of processing and checking. These exercises have been planned over a period from Spring to Autumn to maximise longer daylight hours. This also provides a period later in the year to enable consolidation of the results and resulting investigations. The work that requires the most post-exercise processing (social housing) have been spaced out evenly through the active period to reduce the impact on the team's operational capacity.

2022	
April	
May	<ul style="list-style-type: none"> Commence engagement with new starters at the point of induction. Proactive deterrence & detection exercise: social housing Blue badge fraud training for APCOA CEOs - DEADLINE
June	<ul style="list-style-type: none"> Proactive deterrence & detection exercise: blue badge fraud (plain clothes) Membership of CIFAS - DEADLINE
July	<ul style="list-style-type: none"> Proactive deterrence & detection exercise: blue badge fraud (APCOA)
August	<ul style="list-style-type: none"> Proactive deterrence & detection exercise: social housing Recruit a Counter Fraud Investigation apprentice - DEADLINE
September	
October	<ul style="list-style-type: none"> Anti Money Laundering Course – DEADLINE Proactive deterrence & detection exercise: blue badge fraud (plain clothes) Proactive deterrence & detection exercise: social housing – postponed to March 2023
November	<ul style="list-style-type: none"> Publicity campaign to highlight International Fraud Awareness Week and declarations of interest Declarations of Interest promotion – DEADLINE Holiday lets review exercise – DEADLINE Proactive exercise to identify second homes rented out as a business
December	

2023	
January	
February	
March	<ul style="list-style-type: none"> • Proactive deterrence & detection exercise: social housing • Joint working agreement with DWP – DEADLINE • Business Rates research project – DEADLINE • Single Person Discount fraud drive – DEADLINE • Business Rates High Risk Commercial Properties Protocol trial ends • Council Tax Reduction Scheme new approach trial ends • Financial Investigators training – DEADLINE • False document identification training - DEADLINE

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Appendix 2 - Breakdown of CFIT investigations as of November 2022¹

Category	New cases since the last report (29/06/2022)	Total new cases since 1 April 2022	Active investigations (being investigated, awaiting allocation or with Legal Services) Cases that started prior to 01/04/2022 in parentheses.	Closed investigations since 1 April 2022 Cases that started prior to 01/04/2022 in parentheses.
Transport (Blue Badge, parking permits etc.)	24	33	14 (1)	25 (5)
Schools (including Early Years)	0	1	0 (0)	1 (0)
Council Tax ²	32	50	29 (7)	43 (15)
Business Rates	1	4	6 (5)	14 (11)
Covid-19 related grants	0	2	3 (2)	7 (6)
DWP	6	6	0 (0)	6 (0)
Grant Fund fraud	4	4	2 (1)	6 (3)
Housing (unlawful subletting, Right to Buy fraud etc.) ³	54	82	27 (6)	79 (18)
Money Laundering	1	2	1 (0)	1 (0)
Procurement	0	0	3 (3)	1 (1)
Social Care (Direct Payment fraud etc.)	2	2	5 (4)	1 (0)
Employee	6	9	2 (1)	11 (3)
Miscellaneous (immigration, fraudulent cheques, mischievous referrals etc.)	11	17	1 (0)	18 (2)
TOTALS	141	212	93 (30)	213 (64)

¹ Figures are correct as of 07/11/2022.

² These figures include Council Tax Reduction Scheme frauds

³ These figures include excess rent account assessments

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Southend-on-Sea City Council

Report of the Deputy Chief Executive and Executive
Director (Finance and Resources)

To

Audit Committee

On

23 November 2022

Agenda
Item No.

1 10

Report prepared by: Andrew Barnes, Head of Internal Audit

Internal Audit Services, Quarterly Performance Report

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To update the Audit Committee on the progress made in delivering the Internal Audit Strategy for 2022/23.

2. Recommendations

- 2.1 **The Audit Committee notes the progress made in delivering the 2022/23 Internal Audit Strategy.**

3. Internal Audit Plan Status

- 3.1 **Appendix 1** sets out the current status of the audit work contained in the updated plan, as at 9th November.
- 3.2 **Appendices 2a, 2b, 2c & 2d** set out the results of the work completed since the last progress report to the Audit Committee in July.
- 3.5 In order to ensure that our work remains focussed on the areas of greatest risk to the Council, we continue to consider our Audit Plan for 2022/23 that was initially prepared for the Committee meeting that took place in April 2022.
- 3.6 As a result, the audit plan has been amended to reflect the following changes that are reflected in Appendix 1:
- An additional piece of work has been added to the plan, Climate Project Management, which will look to provide advice, support and challenge to the service area as they further develop their project management framework
 - The HRA Strategic Asset Management audit has been removed from the plan and is to be replaced with a piece of advice and support work on the development of the HRA Business Plan
 - Universal Drug Treatment Grant certification has been added to the plan
 - Local Transport Capital Block Funding – Highways Maintenance Challenge Funding (2021/22) has been further deferred into 2023/24 due to a delay in the funding being spent

- A new piece of advice and support work is being undertaken, assisting the HR Service Manager and wider business as the options for a replacement Recruitment Management System are explored and developed
- The Children's Quality Assurance Audit has been removed from the 2022/23 plan, but is planned to be undertaken in Q1 as part of the 2023/24 plan. This is to enable work currently underway to continue in embedding the framework into business as usual
- A follow up of the Business World Enterprise Resource Planning Programme of Work has been added to the plan, to review progress in implementing the agreed actions following the work completed as part of the 2021/22 audit plan.

3.7 In addition to the Advice and Support items detailed at Appendix 1, the team has been providing support on work and arrangements that the Council is undertaking in respect of:

- Reviewing and updating the Council's governance framework so that this can be optimised to support the delivery of the new corporate plan and meet the Council's objective of simple and effective governance
- Assisting the SEND Strategic Partnership Board to refine and enhance their risk register.

4. Performance Targets and Resourcing

4.1 As outlined in the Strategy presented to the April 2022 Audit Committee, the team will be reporting on a more limited set of indicators this year given the amount of work that is still being contracted out.

4.2 As at 9th November 2022, for the period 1st April 2022 – 9th November the team had 12 days sickness. 10 days of this absence relates to one member of staff who was unwell with Covid-19.

4.3 Of the 45 jobs now included in the audit plan:

- 26% of audits are complete with finalised reports issued
- 4% of audits are complete with draft reports issued
- 4% of audits are complete with draft reports being drafted
- 28% of audits are in progress
- 13% of audits have terms of reference being developed and / or agreed
- 11% of audits are being planned
- 13% of audits are resourced, but yet to be started.

4.4 Stakeholder surveys have now re-commenced and will be completed throughout the year as audits are finalised. **Appendix 3** reflects the results of the two surveys covering two audits undertaken since April 2022. The feedback is very strong, showing that stakeholders find the service to be knowledgeable, flexible and communicative. There is also recognition from services that the "scrutiny of audit is of great benefit to the Council".

4.5 Since the last report to the Audit Committee in July 2022 there has been two changes to the staffing of the team.

- The auditor brought in on a temporary basis for six months has now finished their contract with the team. They have secured a permanent position with the Economic Development team in the Council.
- One of the Audit Managers retired after more than 30 years working within the Audit team at Southend.

A recruitment exercise is being undertaken to replace the retired Audit Manager. Potential candidates are being interviewed w/b 14th November 2022. A verbal update on the outcome of this will be provided at the Audit Committee meeting.

Including the vacant Audit Manager post, the team currently has eight vacancies. The salaries of the vacant posts are being used to fund audit resource brought in from suitable accountancy firms to assist with delivery of the audit plan.

5. Reasons for Recommendations

5.1 Internal audit is an assurance function providing assurance to assist the Audit Committee to effectively discharge its responsibilities as per its Terms of Reference. The delivery of the internal audit plan will assist the Audit Committee with obtaining assurance that the Annual Governance Statement appropriately reflects the conditions at the Council.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

Audit work provides assurance and identifies opportunities for improvements that contribute to the delivery of all Southend 2050 outcomes.

6.2 Financial Implications

The Audit Plan will be delivered within the approved budget.

6.3 Legal Implications

The UK Public Sector Internal Audit Standards require the Audit Committee to approve (but not direct) the annual Internal Audit Plan and then receive regular updates on its delivery. This report contributes to discharging this duty.

6.4 People Implications

People issues that are relevant to an audit within the Audit Plan will be considered as part of the review.

6.5 Property implications

Property issues that are relevant to an audit within the Audit Plan will be considered as part of the review.

6.6 Consultation

The audit risk assessment and the Audit Plan are periodically discussed with the Chief Executive, Executive Directors and other senior managers before being reported to the Audit Committee.

All terms of reference and draft reports are discussed with the relevant Managers, and Executive Directors before being finalised.

6.7 Equalities and Diversity Implications

The relevance of equality and diversity is considered during the initial planning stage of each audit before the Terms of Reference are agreed.

6.8 Risk Assessment

Failure to operate a robust assurance process (which incorporates the internal audit function) increases the risk that there are inadequacies in the internal control framework that may impact of the Council's ability to deliver the expectations of the Corporate Plan and the Southend 2050 Ambition and outcomes.

The main risks the team continues to manage are the:

- potential loss of in-house staff and the ability of the service to replace this resource in a timely manner
- lack of management capacity to support and develop the team, while processing work in a timely manner and providing strategic leadership to the team and support to the Council
- possibility that external suppliers won't deliver contracted-out work within the required deadlines to the expected quality standards
- need to maintain relationships with clients and partners while the service is being rebuilt.

6.9 Value for Money

Opportunities to improve value for money in the delivery of services are identified during some reviews and recommendations made as appropriate.

Internal Audit also periodically considers whether it provides a value for money service.

6.10 Community Safety Implications

These issues are only considered if relevant to a specific audit review.

6.11 Environmental Impact

These issues are only considered if relevant to a specific audit review.

7. Background Papers

- The Accounts and Audit Regulations 2015
- UK Public Sector Internal Audit Standards
- CIPFA: Local Government Application Note for the UK Public Sector Internal Audit Standards

8. Appendices

Appendix 1	Internal Audit Plan 2022/23 progress status
Appendix 2a	Audit Assurance and Themes – Partial assurance
Appendix 2b	Audit Assurance and Themes – Satisfactory assurance
Appendix 2b	Audit Assurance and Themes – Other audits & grants
Appendix 2c	Audit Assurance and Themes – Reports Revisited
Appendix 3	Stakeholder Survey Results

8. Information Items

CIPFA Audit Committee Update Issue 36

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Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
Managing the Business			
F&R	Risk Management To support the council to embed robust assessment of risk and opportunity into decision making that encourages creativity, learning and improved outcomes. This will extend the discovery phase piece of work undertaken in 2021/22 to further support the council in developing its risk management framework with the aim of adopting a common approach across the council.	No	Planning underway, terms of reference being developed
SC&G	Technology Modernisation Programme Assurance (2021/22) To assess the robustness of the arrangements to deliver the programme of works required to achieve the Council's target technology operating model.	No	Complete November 2022
Implementing Action Plans			
None planned			

Managing Service Delivery Risks			
Pride and Joy By 2050 Southenders are fiercely proud of and go out of their way to champion what our city has to offer.			
N&E	Green City Action Plan To assess the adequacy of arrangements to deliver on the council's aim of becoming a Green City and achieving net zero emission by 2030.	Yes	Work in progress

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
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Implementing Action Plans

N&E	Energy Projects Status Assurance (2021/22) To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service	Yes	Draft report being discussed with the service
N&E	Highways Capitalised Maintenance Programme To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.	Yes	Planned for Q4

Safe and Well

By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives

C&PH	Alternative School Provision (2021/22) To assess the adequacy of arrangements which ensure the Council's guidance and / or policy for using Alternative Provision is being properly and appropriately applied to support achievement of the required outcomes for young vulnerable people.	No	Draft report with the service
F&R	Contain Outbreak Management Funding (No. 31/5456) To certify that, in all significant respects, the conditions attached to the grant have been complied with for the spend up to end of 2021/22 (further work due 2023/24 for grant use during 2022/23).	Yes	Completed September 2022
G&H	Protect and Vaccinate Grant (No. 31/5912) To certify that, in all significant respects, the conditions attached to the grant have been complied with.	Yes	Completed July 2022

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
A&C	Disabled Facilities Grant (No. 31/5515) To certify that, in all significant respects, the conditions attached to the grant have been complied with.	Yes	Work in Progress
C&PH	Supporting Families Programme To certify that, in all significant respects, the conditions attached to the grant have been complied with. <i>Planned throughout the year to align with the Payment by Results claim windows set by Department for Levelling Up, Housing & Communities.</i>	Yes	April – September claims completed September 2022
F&R	Test and Trace Support Payment Scheme (No. 31/5385) To certify that, in all significant respects, the conditions attached to the grant have been complied with.	Yes	Completed June 2022
C&PH	NEW: Universal Drug Treatment Grant 2021-22 (No. 31/5494) To certify that, in all significant respects, the conditions attached to the grant have been complied with.		Completed November 2022
C&PH	REMOVED: Children's Quality Assurance Framework (QAF) To assess the effectiveness of the arrangements to embed into business as usual the tool used to assess the quality of social work practice, which is key to ensuring the council delivers better outcomes to young people and families.	No	Postponed to Q1 of 2023/24 whilst ongoing work to embed the framework into business as usual continues
G&H	Rough Sleepers To assess the robustness of arrangements to ensure effective support is given to vulnerable people to achieve the outcomes within the Housing, Homelessness and Rough Sleeping Strategy, while achieving value for money.	Yes	Planned for Q4

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
C&PH	Independent Reviewing Officers To assess the effectiveness of Independent Reviewing Officers (IROs) in ensuring children's needs are met and their outcomes improved through the support and services that they receive.	No	Terms of reference being produced
C&PH A&C	Care Platform Change Management To assess the robustness of arrangements to identify, prioritise, and monitor delivery of change requests which ensure that resources are directed to deliver on the council's key priorities and outcomes for delivering adult and children's services.	Yes	Work in progress
C&PH	Children not attending Education To assess the robustness of arrangements which ensure children not attending school are known and their welfare is monitored to keep them safe and that they realise their potential.	No	Planned for Q4
A&C C&PH	Direct Payments To assess the robustness of arrangements for ensuring payments made to clients with an assessed need for support are valid and delivering the required outcomes for vulnerable citizens.	Yes	Work in progress
Implementing Action Plans			
A&C	Adult Social Care Recovery Programme To check that actions agreed have been effectively implemented and embedded into the day-to-day management of the recovery programme.	No	Completed August 2022

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
<p style="text-align: center;">Active and Involved</p> <p style="text-align: center;">By 2050 we have a thriving, active and involved community that feel invested in our city</p>			
N/A	No work planned	N/A	
Implementing Action Plans			
None planned			
<p style="text-align: center;">Opportunity and Prosperity</p> <p style="text-align: center;">By 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all of our people</p>			
G&H	<p>Better Queensway Workstreams (2021/22)</p> <p>To assess the robustness of agreed delivery plans and monitoring arrangements to deliver the Council's obligations under the Partnership Agreement for the Housing, Highways and Finance workstreams.</p> <p>(Scope of the work extended to include the Finance workstream)</p>	Yes	Completed July 2022
G&H	<p>REMOVED: HRA Strategic Asset Management</p> <p>(Joint audit with South Essex Homes)</p> <p>To assess the adequacy of arrangements in place to ensure HRA assets continue to deliver value and meet stakeholder needs, while supporting organisational objectives.</p>	No	Audit to be removed and replaced with advice and support work focused on the development of the HRA Business Plan
F&R	<p>Corporate Asset Management</p> <p>To assess the adequacy of arrangements in place to ensure assets continue to deliver value and meet stakeholder needs, while supporting organisational objectives.</p>	Yes	Planned for Q4

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
A&C	Community Investment Grant To assess the robustness of arrangements that ensure grant monies passed to the community are being properly accounted for and delivering outcomes for the citizens of Southend.	Yes	Planning underway
G&H	Housing Allocations To assess the robustness of the arrangements that ensure available housing is allocated appropriately, in accordance with council policies.	Yes	Terms of reference agreed with the business Fieldwork commencing w/b 28 November
Implementing Action Plans			
N&E	Southend Travel Partnership Joint Venture Company To check that actions agreed from the two pieces of audit work during 2021/22 have been effectively implemented and embedded into the day-to-day operation of the service. <i>(Also linked to safe and well 2050 outcome)</i>	Yes	Fieldwork commencing w/b 28 November
Connected and Smart By 2050 people can easily get in, out and around our borough and we have a world class digital infrastructure			
N&E	Local Transport Capital Block Funding (No. 31/5505) To certify that, in all significant respects, the conditions attached to the grants have been complied with.	Yes	Completed October 2022
N&E	Local Transport Capital Block Funding – Pothole Fund (No. 31/5506) To certify that, in all significant respects, the conditions attached to the grants have been complied with	Yes	Completed October 2022

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
N&E	<p>REMOVED: Local Transport Capital Block Funding – Highways Maintenance Challenge Funding carried over from 2021/22 (No. 31/5072)</p> <p>To certify that, in all significant respects, the conditions attached to the grants have been complied with.</p>	Yes	Due to the delay in progressing works, agreed with Department for Transport to certify in 2023/24.
F&R	<p>My Southend</p> <p>To assess the robustness of the project governance arrangements to deliver the benefits to citizens, businesses, tourists, councillors and the council, required from the new platform.</p>	No	<p>Work in progress</p> <p>Feedback provided directly to the service area and a memo is being drafted on the project's business case</p>
Implementing Action Plans			
None planned			
All Outcomes			
SC&G	<p>Cyber Threat (2021/22)</p> <p>To assess the robustness of arrangements to quickly identify a cyber security incident and the reliability of the planned strategic responses to respond should an attack succeed.</p>	Yes	Draft report being produced
SC&G	<p>ICT Strategy (2021/22)</p> <p>To assess the robustness of the governance arrangements which ensure the technology elements of the Council's various service strategies properly inform the ICT strategy; that the ICT Strategy is delivered and that it supports and enables the achievement of the Council's strategic goals.</p>	No	Draft report with the Head of Internal Audit
SC&G	<p>Letting of Recruitment Contract</p> <p>To assess the robustness of the arrangements for reletting the council's contract for recruiting agency and permanent employees.</p>	Yes	<p>Phase 1 Award of Contract Complete July 2022</p> <p>Resource for Phase 2 Contract negotiations being determined</p>

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
F&R	Clearing House Automated Payments System (CHAPS) payments To assess the robustness of arrangements that ensure valid and accurate and payments are made using the CHAPS facility.	Yes	Work in progress
F&R	Procurement Cards To assess the robustness of processes for ensuring staff purchases made using procurement cards is transparent and valid.	Yes	Work in progress
SC&G	Staff Pay To assess the robustness of processes for ensuring accurate and valid payments are made to staff when these are outside of standard salary payments.	Yes	Terms of reference being agreed with the business Fieldwork commencing w/b 12 December
Implementing Action Plans			
SC&G	NEW: Business World Enterprise Resource Planning Programme of Work To check that actions agreed have been effectively implemented and have been embedded into the day-to-day management of the Programme.	No	Fieldwork commencing w/b 5 December
Key Financial Systems - All Outcomes			
F&R	Accounts Payable To assess the robustness of processes for ensuring accurate, transparent, and valid payments are made to suppliers and individuals.	Yes	Work in progress
Implementing Action Plans			
None planned			

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
Advice and Support			
All Outcomes and Future Ways of Working			
F&R	Financial Sustainability (including Getting to Know your Business Initiatives) Provide ongoing support and challenge of the arrangements in place to deliver the council's Budget Transformation Programme 2022/23 to 2025/26 which aims to ensure the council remains financially stable and resilient for the future.	No	Planning underway
SC&G	Technology Modernisation Programme To provide support and challenge to the Board as Southend City Council's technology estate is modernised and simplified.	No	Decision made in July 2022 to cease regular attendance at the board due to resource constraints within the Internal Audit team. Support and challenge will continue to be provided to the Programme on request.
SC&G	Device Return and Issue To provide support and challenge to the team assessing arrangements to improve processes for issuing and returning IT equipment to new starters and leavers.	Yes	Work in progress, with input provided as the group improves the process for the return of equipment
SC&G	Corporate Plan To provide support and challenge to the team developing the council's Corporate Plan which will identify the priorities for the delivery of outcomes for 2022-23 to 2025-26.	No	Comments and feedback provided through the development of the Corporate Plan and the work on the changes sought for the governance arrangements that will underpin the delivery of the Plan.

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
SC&G	Business World Enterprise Resource Planning Phase 2 To provide support and challenge to the project team as the risks and control environment for the planned Corporate Establishment and other required improvements are considered and / or developed.	Yes	Yet to start Procurement activity is currently underway with an estimated completion date of January 2023. Work to deliver Phase 2 of the project is then anticipated to start in February 2023 Internal audit remain in touch with the ERP Project Team to allow for input when required.
SC&G	NEW: Recruitment Management System To provide support and challenge to the service as options for a replacement Recruitment Management System are explored and developed alongside the Council's recruitment provider.		Work in progress Feedback has been provided during workshops to date focused on: <ul style="list-style-type: none"> • Recruitment and technical requirements • Invoicing and finance
Implementing Action Plans			
G&H	Better Queensway Highway Scheme (2021/22) To support and challenge the discussions and / or suggested improvements emanating from the opportunities to improve arrangements which support decision making contained in the Internal Audit Report issued in August 2021.	No	Draft memo being discussed with the business
<p style="text-align: center;">Pride and Joy</p> <p style="text-align: center;">By 2050 Southenders are fiercely proud of, and go out of their way, to champion what our city has to offer.</p>			
N&E	NEW: Climate Project Management Provide advice, support and challenge over the project management framework in place to deliver projects within the climate agenda on time and within budget.		Planned for Q4

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
N&E	Letting of new Waste Collection Contract To provide support and challenge to the project team to ensure robust project management and procurement processes are applied and value for money is obtained for city residents.	Yes	Terms of reference being developed
Safe and Well By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives			
A&C	Adult Care Quality Assurance Framework (QAF) Ongoing challenge and support to the service area as the quality assurance framework is developed. The framework aims to ensure social work culture and practice is effective in safeguarding and promoting the welfare of adults, helping them achieve the best possible outcomes and life chances.	No	Framework reviewed and feedback provided in August 2022
C&PH	Supporting Families Programme To provide support and challenge to the service as the council's current Outcomes Framework is revised to align with the Department for Levelling Up, Housing and Communities (DLUHC) updated national outcomes framework and programme guidance.	Yes	Work in progress

Appendix 1: Internal Audit Plan 2022/23

Dept	Service Activity and Focus for Audit	Fraud risk	Status as at 7 November 2022
G&H	Homes for Ukraine To provide support and challenge to the service as processes are developed to respond to the council's responsibilities for providing support payments and oversight of accommodation to citizens fleeing Ukraine.	Yes	Completed Support and challenge given as service area were developing the cash distribution arrangements. Improvements to the proposed processes and controls included recommendations/identification of: <ul style="list-style-type: none"> • areas of potential fraud, • security around receipt and paying out of cash • maintenance of accounting records to record the transactions; and • protecting staff responsible for handling cash in terms of two staff being present when cash was being handled.
Active and Involved By 2050 we have a thriving, active and involved community that feel invested in our city			
<i>No work planned</i>			
Opportunity and Prosperity By 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all of our people			
G&H	NEW: HRA Business Plan Provide advice, support and challenge to the project team as the HRA Business Plan is developed to help ensure it is robust and underpinned by a sound supporting evidence base, while reflecting necessary legislative requirements and Council priorities.	No	Planning underway
Connected and Smart By 2050 people can easily get in, out and around our borough and we have a world class digital infrastructure			
<i>No work planned</i>			

Appendix 1: Internal Audit Plan 2022/23

Managing Service Delivery

Delivering the internal audit service involves:

- audit planning and resourcing
- managing Audit Plan delivery, which includes overseeing contractor work
- keeping up to date with the council's changing risk profile to ensure the Audit Plan remains relevant
- reporting to senior management and the Audit Committee.

Audit Activities	Resource allocation
Managing the Business	6%
Managing Service Delivery Risks	56%
Key Financial Systems	3%
Grant Claims	9%
Advice and Support	15%
Follow Ups	6%
Managing Delivery of the Audit Plan	6%
Total	100%
Total Council Audit Plan Days	606

The days required to revisit and retest action plans from previous reports are included under each heading.

The Total Council Audit Plan Days reflects the higher cost of buying in external contractors to cover internal vacancies.

Appendix 1: Internal Audit Plan 2022/23

Analysis Over Executive Director Responsibilities		
All	Cross Cutting	0%
F&R	Finance & Resources	20%
SC&G	Strategy, Change and Governance	20%
G&H	Growth & Housing	14%
N&E	Neighbourhoods & Environment	20%
C&PH	Children & Public Health	16%
A&C	Adults & Communities	10%
	Total	100%

Analysis over the Southend 2050 Themes	
Pride & Joy	12%
Active & Involved	0%
Safe & Well	29%
Opportunity & Prosperity	18%
Connected & Smart	5%
All	36%
Total	100%

Appendix 1: Internal Audit Plan 2022/23

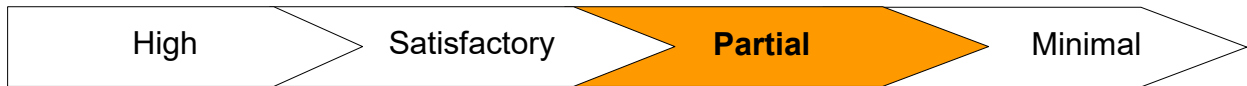
Risk Watch List	
These are other potential audits that may be considered for inclusion in the Audit Plan during the year should resources permit	
A&C	NEW: Sexual Health Service – From 2021/22 Audit Plan as Audit Resource re-allocated
A&C	Mental Health Service Provision (review of current arrangements including Section 75 agreement with EPUT scoped by service)
C&PH	NEW: Implementation of SEND Action Plan from peer review
F&R	NEW: Critical Contracts Exit strategies - From 2021/22 Audit Plan as Audit Resource re-allocated
F&R	Business Rates Collection
F&R	Asset Management – arrangements for letting and monitoring commercial leases for council property
F&R	School Audits – assess assurance available from council teams that the role of the schools Finance team to determine the assurance their function may give overall
G&H	Empty Homes Strategy 2021 – 2026 (Cabinet Report January 2021)
New areas of risk to keep watching brief	
All	NEW: Environmental, Social & Governance (ESG) agenda (linked to Green City Action Plan piece of work in Audit Plan above above)
All	Association of South Essex Local Authorities (ASELA)
A&C	Adult Social Care Strategies 2022/27: Living Well, Ageing Well and Caring Well
A&C	Integrated Care System (April 2022)
A&C	Southend Care Ltd Partnership Agreement 2022-2031
A&C	Anti-Poverty Strategy (Final Strategy proposed for February 2023)
C&P	Remodelling of Children's Centres (in house service from 1st October 2021)
F&R	Social Value - Implementation of Strategy / Policy
F&R	NEW: Corporate Procurement Strategy 2022- 2027
N/A	Domestic Abuse Act 2021 Implementation Strategy
N&E	Selective Licensing
N&E	New Highway Enforcement Policies
G&H	Building Safety Bill

Appendix 1: Internal Audit Plan 2022/23

SC&G	NEW: ICT Project Management Office
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Appendix 2a: Audit Assurances and Themes

Assurance



Better Queensway Workstreams Audit and Project Assurance Revisited

Objectives

- 1) To assess the robustness of agreed delivery plans and monitoring arrangements to deliver the Council's obligations under the Partnership Agreement for the Housing, Highways and Finance and Funding workstreams.
- 2) To assess whether the remaining actions as at July 2021, agreed in the management of the project original Project Assurance audit dated January 2021 have been implemented and are now effectively embedded into the day-to-day operation of the project.

Summary

The project's governance structures are well defined, documented and include progress reporting. Escalation processes are clear however, a lack of application of risk and issue management processes and detailed Council side plans, mean they cannot operate effectively.

Fully embedding risk and issue management processes, across the governance hierarchy is a particular area for focus going forward to ensure the Operational Group can properly deliver its obligations to the Partnership Board. This will also improve visibility and accountability for internal decision making and gives increased opportunity to demonstrate ongoing alignment to the Council's Values and Behaviour framework. As such management have agreed actions to:

- ensure everyone involved is clear on their roles and responsibilities in relation to risk management, by re-circulating the roles and responsibilities information to Workstream Leads and tabling at Operational Group and Partnership Board meetings
- work with Workstream Leads and Partnership Board members to ensure that the information contained within the project's risk register is complete, accurate and timely.

The introduction of regular internal project communications will also ensure that Workstream Leads are clear on the project's priorities and the actions required of them. The appointment of the new Council Programme Manager presents an opportunity to reset and develop relationships across the project more generally.

Council-side project plans and detailed workstream plans need to be fully developed for the current phase of the project, which capture all the required information, outline the critical path of activity and key dependencies, as well as the resources required to deliver Council tasks.

Appendix 2a: Audit Assurances and Themes

Assurance



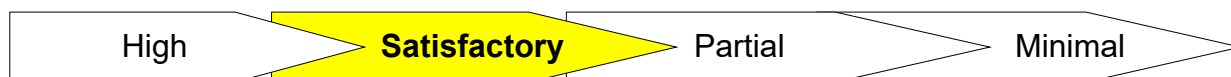
As such, management have agreed actions to develop Council-side plans (that are driven by The Porters Place Southend Limited Liability Partnership) which will ensure the project is aware of the key tasks to be completed and the amount of resource required. This will provide the Operational Group and Partnership Board with the information required to fully challenge the completion of tasks and be fully confident the project remains on track to deliver as planned.

Management have agreed robust implementation dates with Internal Audit and we intend to follow up progress on the implementation of actions in Quarter 4 2022/23 or Quarter 1 2023/24, with a view to reporting progress to the April 2023 Audit Committee.

Number of actions agreed: 7

Appendix 2b: Audit Opinion and Themes

Assurance



Technology Modernisation Programme

Objective

To assess the robustness of the arrangements to deliver the programme of works required to achieve the Council's target technology operating model.

Themes

The programme's established governance structures are well defined, supported by a risk and issue management process and include detailed progress reporting. The effectiveness of the governance arrangements could be improved by:

- ensuring consistency of the Red, Amber, Green (RAG) scores applied to key reporting metrics, such as risks, issues and progress
- clarifying the escalation process to be utilised by the programmes three projects, and
- updating the programme's plan on a page to include progress against key milestones, to identify any slippage and highlight potential resource pinch points between projects.

Roles and responsibilities of key individuals are documented and operating in practice, except for the Business Lead role, which needs to be fully defined and documented across the programme.

The programme's agreed scope is defined and documented for the Civica and User Data Migration projects and work is underway to document the Technical Remediation and Decommissioning of the Cisco Unified Computing System platform project. The programme could manage potential changes to the programme's scope more efficiently through the introduction of a formal change control process, that ensures changes can be managed in a consistent manner.

The programme's expected benefits are described at a high level in the Programme Business Case, however further work is required to fully define planned benefits in detail, determine baselines and agree targets and methods of measurement.

Management have agreed robust implementation dates with Internal Audit and we intend to follow up progress on the implementation of actions in April 2023 with a view to reporting progress to the July 2023 Audit Committee.

Number of actions agreed: 9

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Appendix 2c: Audits Revisited

Purpose of these audits

To assess whether the actions agreed in the original audit have been implemented and are now effectively embedded into the day-to-day operation of the service.

Adult Social Care Savings and Recovery Programme

Original Objective

To assess the robustness of programme management arrangements aiming to improve the outcomes for adults that need to use the Council's services, whilst also containing the net expenditure of service within its allocated budget.

Action Implementation Level

Opinion: Satisfactory Assurance

Results

Fully implemented	Substantially implemented	Partially implemented	Not implemented	Closed
10	4	1	-	-

Summary

During February 2022, Internal Audit informally reviewed several documents which had been introduced by the programme to strengthen its control environment, including the Programme Mandate, Transformation Board Terms of Reference, Project Management Handbook and associated project templates. Internal Audit provided management with interim feedback on the progress of the audit recommendations in relation to the design of controls introduced to mitigate the potential risks. Management acted upon our feedback and the operating effectiveness and ultimate completeness / closure of audit recommendations, was assessed throughout June 2022, to determine the extent to which the controls were operating in practice.

Since the original audit was finalised in November 2021, significant progress has been made in implementing the agreed actions, the majority of which are now effectively embedded into the day-to-day operation of the management of the programme.

Since our original audit the programme has transitioned from a focus on recovery to a more transformational focus. The Programme's aim is to enable the Adult Social Care vision to work collaboratively with people to enable them to live safe, well and independently in the community, connected to the people and things they love. The Programme will now have a maximum planning horizon of 3 years and this will be reviewed every January by the Transformation Board.

Appendix 2c: Audits Revisited

Programme Scope

The Programme's aim, duration and priorities, including decision making criteria for potential projects to be considered before being in the programme, have been clarified and this is documented within the updated Programme Mandate, which was agreed by the newly formed Adult Social Care (ASC) Transformation Programme Board in March 2022.

Clarity around the Programme's priorities, entry criteria for potential projects and the decision to only allow fully resourced projects to enter the programme has made the programme's scope and workload more manageable. The requirement for a Project Brief to be produced at the outset and to be assessed by the Transformation Board means the programme is able to focus its limited resource on those projects which best align to its objectives and have the potential to realise benefits for the Council and its citizens.

Projects are also required to develop a detailed combined Terms of Reference / Business Case (ToR / BC) document, which builds on the Project Brief and further develops the project's scope. The document aims to provide a sound basis for justifying a project and acts as a baseline to monitor progress against. Internal Audit reviewed a sample of seven ToR / BCs, three live projects and four new projects which were approved by the June 2022 Transformation Board and noted that they generally provided a sound basis upon which to proceed. Some areas for improvement were identified in relation to expected benefits and escalation tolerances, which are noted within the Governance and Non-financial benefits sections below.

Governance, roles, and responsibilities

The Programme's governance structures are well defined, documented and include progress reporting. Management have worked to improve the effectiveness of the board and delivery of the programme, in particular through:

- The introduction of a holistic view of all agreed projects, including start and estimated completion dates and the recruitment of three Project Managers to ensure that all live projects are resourced
- The introduction of a Project Management Handbook, which is intended to inform anyone who is involved in Adult Social Care projects, and provides Project Managers with clarity on what is required of them, to fulfil their roles successfully. Internal Audit interviewed two Project Managers and found that roles and responsibilities were consistently understood
- Expanding the Transformation Board's standing agenda to ensure that key programme areas, such as programme plan, escalated issues, risks and non-financial benefits are discussed at board meetings
- Expanding programme and project progress reporting to cover key elements such as progress against agreed milestones, delivery of expected benefits and escalated issues, to allow the Board to make fully informed decisions. Where applicable to specific projects, this could be improved through the addition of reporting in relation to project spend against forecast
- The introduction of a decision log to capture key decisions taken by the Board and the rationale behind them. This protects the Council in the event of any challenge and acts as a useful reference point as the programme progresses

Appendix 2c: Audits Revisited

- Actions to formalise the programme's escalation process, through the agreement of programme and project Red, Amber, Green (RAG) ratings and the additional requirement for the Board to determine escalation tolerances whereby Project Managers are required to escalate issues to the Programme Manager and Board. However, our review has identified areas where further work is required to ensure that tolerances are consistently defined prior to projects commencing for this process to operate effectively.

Financial Benefits

The Programme Mandate states that expected financial benefits will be identified in the Project Brief and Combined ToR / BC documents and that the Transformation Board will consider each of these individually. Internal Audit observed this occurring in practice at the June 2022 board meeting. The Board also includes an agenda item to monitor progress monthly.

Since our original audit the monitoring and reporting of financial benefits is now fully owned by Financial Services. Internal Audit reviewed the expected benefits of the programme's live projects for this financial year and found a consistent understanding of the anticipated savings and delivery status of these savings between Financial Services and the Project Managers. The Project Management Handbook could be improved by providing clarity as to the requirement for modelling which underpins expected financial benefits to be provided to Financial Services-for them to review and verify, on a regular basis.

Non-financial Benefits

The Programme Mandate states non-financial benefits will be identified in Project Briefs and ToR / BC and that the Transformation Board will consider each of these individually. Internal Audit observed this occurring in practice at the June 2022 board meeting. The Board also includes an agenda item to monitor progress monthly.

Non-financial benefits are included in the Programme Manager's Control Report, which is presented to the Board. This has been developed since our original audit and contains fields to capture all the required information, however further work is required to populate this and ensure that there is a clear understanding of how the non-financial benefits will be measured and demonstrated over time.

Risk Management

The risk management process has been clarified within the Programme Mandate and Project Management Handbook and Project Managers are aware of their responsibilities in relation to risk management. Since our original audit the risk register has been revised and the Programme Manager presents detailed risk information to the Transformation Board on a monthly basis.

Internal Audit reviewed the register presented to the June 2022 meeting and noted that it was significantly improved and contained fields to capture the required information, however for the 23 open risks within the register:

- 3 risks were missing current controls to mitigate them, and
- 4 were not supported by risk target dates.

Further work is required to ensure that the information contained within the programme's risk register is fully complete.

Appendix 2c: Audits Revisited

Issue Management

The issue management process has been clarified within the Programme Mandate and Project Management Handbook and Project Managers are aware of their responsibilities in relation to issue management.

An issue register has been developed and the Programme Manager presents details of any escalated issues to the Transformation Board on a monthly basis. Internal Audit reviewed the register presented to the June 2022 meeting and noted that it contained fields to capture the required information and was complete.

Appendix 2d: Other Audits and Grant Claims

Supporting Families Programme - April to September 2022

Objective

To assess compliance with the terms and conditions of the Department for Levelling Up, Housing and Communities (DLUHC) Programme Guidance for making Payment by Result (PBR) claims for the year April 2022 to March 2023 in respect of the 2021-22 Supporting Families Programme (2021-22 Programme Guidance remains valid until October 2022 when replaced by the new Outcomes Framework and Programme Guidance).

Background

The new phase of the programme aims to build resilience by providing whole family support at the earliest possible point and help prevent escalation into statutory services. The Council has agreed to achieve measurable outcomes with a minimum of 199 families assisted by March 2023 under this Programme.

Internal Audit are required to review a minimum of 10% of claims to ensure there is suitable evidence to support the payment by results claim.

Summary and Conclusion of work

Between April and September 2022, 70 PBR claims were presented to audit, prior to submission to the DLUHC.

Internal Audit reviewed a sample of eight cases which covered a representative sample of the claims outlined above. For all claims suitable evidence was available to support a PBR claim for:

- entry into the programme; and
- a claim for significant and sustained progress against all problems identified at the point of engagement and during intervention.

Protect and Vaccinate Grant

Purpose of Funding

The Protect and Vaccinate grant was announced by the Department for Levelling Up, Housing & Communities in December 2021 in response to the Omicron Covid-19 variant. The purpose of the funding was to enable local authorities to provide safe accommodation for as many people rough sleeping, or at risk of rough sleeping, as possible and supporting them to get their vaccinations.

Funding was provided in two streams, covering:

- Accommodating people sleeping, or at risk of, sleeping rough
- Increasing vaccination update amongst people sleeping rough.

Appendix 2d: Other Audits and Grant Claims

Themes

Work undertaken confirmed that grant spend complied with the terms and conditions of the grant.

Opinion: Unqualified

Contain Outbreak Management Fund

Purpose of Funding

The Contain Outbreak Management Fund was provided by government to support Council's with costs associated with ongoing public health and outbreak management costs of tackling Covid-19.

Themes

Work undertaken confirmed that grant spend complied with the terms and conditions of the grant.

Opinion: Unqualified

Universal Drug Treatment Grant

Purpose of Funding

The Universal Drug Treatment Fund was provided by government to support Council's to increase existing services, complement existing services and / or offer new service with a view to enable local areas to start delivering reductions in:

- The rate of drug related deaths
- Drug-relating offending
- Prevalence of drug use.

Themes

Work undertaken confirmed that grant spend complied with the terms and conditions of the grant and aligned with the proposals agreed with the Department for Health and Social Care.

Opinion: Unqualified

Appendix 2d: Other Audits and Grant Claims

Local Transport Capital Block Funding - Pothole Fund

Purpose of Funding

Funding was provided to assist with plans to repair potholes across the city.

Conclusion

It was confirmed that spend was compliant in that:

- it fell within the definition of "capital" for accounting purposes
- work undertaken related to pothole repairs in the city.

Opinion: Unqualified

Local Transport Capital Block Funding

Purpose of Funding

To assist in delivering transport improvement schemes, which can include:

- road markings and re-surfacing
- upgrades to traffic signals
- bridge strengthening
- installation / replacement of sign lights and street lights
- upgrades to electronic bus information screens.

Conclusion

It was confirmed that spend was compliant in that it:

- fell within the definition of "capital" for accounting purposes
- Work undertaken related to the areas outlined above.

Opinion: Unqualified

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Appendix 3: Stakeholder Surveys, Compliance with Professional Standards

Setting up and planning the audit (PSIAS 1200 / 2200)		%
1	Did we show a good level of knowledge and understanding of your service when discussing the potential scope and objective to be covered by the audit before fieldwork took place?	100
Performing the audit (PSIAS 2300)		
2	Did we work effectively with you when doing the audit to minimise the impact on your service?	100
3	Were we able to talk knowledgeably with you about information provided to us and queries we had during the audit?	100
Communicating results (PSIAS 2400) and Improving governance, risk management and control processes (PSIAS 2100)		
4	Did we keep you informed of the progress of the audit and issues arising from the work in timely manner?	100
5	Did we effectively explain to you where we felt action was required to improve your arrangements and why?	100
6	Was the report fair and reflective of the work done by audit and the issues found as discussed with you?	100
Independence and Objectivity (PSIAS 1100)		
7	Did we provide relevant evidence to back up our findings if required?	100
8	At the end of the audit, did you understand the rationale for the overall opinion given?	100
Managing the Internal Audit Activity (PSIAS 2000)		
9	Do you think internal audit adds value to the Council?	100

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Audit Committee Update

Helping audit committees to be effective

Issue 36

August 2022

New CIPFA Guidance on Audit Committees in Local Authorities and Police

Internal Audit: Untapped Potential

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Introduction

Dear audit committee member,

Welcome to the latest issue of Audit Committee Update from the [CIPFA Better Governance Forum](#). This resource aims to support audit committee members in their role by helping to keep them up to date.

In this issue, we concentrate on the new guidance for audit committees from CIPFA. All committees in local authorities and police are encouraged to review the new guidance and ensure their audit committee is following it.

There is also a summary of key points from CIPFA's research report on internal audit in the public services and links to resources to help audit committees get the best from their internal audit arrangements.

Overall, I hope you will find this issue interesting, informative, and helpful in your work on the committee.

Best wishes,

Diana Melville

CIPFA Better Governance Forum

Sharing this document

Audit Committee Update is provided to subscribers of the Better Governance Forum for use within their organisations. Please feel free to circulate it widely to your organisation's audit committee members and colleagues. It can also be placed on an intranet. It should not be shared with audit committee members of organisations that do not subscribe to the Better Governance Forum or disseminated more widely without CIPFA's permission.

Audit Committee Update is covered by CIPFA's copyright and so should not be published on the internet without CIPFA's permission. This includes the public agendas of audit committees.

Receive our briefings directly

A link to this briefing will be included in the newsletter for subscribers to the CIPFA Better Governance Forum. It can then be shared with that organisation's audit committee members.

If you have an organisational email address (for example, jsmith@mycouncil.gov.uk) then you will also be able to register on our website and download any of our guides and briefings directly. To register please visit: www.cipfa.org/Register.

CIPFA position statement on audit committees in local authorities and police 2022

CIPFA issued a new [position statement](#) in April 2022. It replaces the 2018 edition and takes account of changes in legislation and other developments that affect the role of the committee.

The statement has the support of the Department of Levelling Up, Housing and Communities and the Home Office.

Applicability

The position statement applies to all local government bodies in the UK, including councils, fire authorities and police.

The statement is CIPFA's recommended practice to the sector. It has the support of government departments and sector stakeholders but is not a statutory requirement.

Contents

It covers the purpose of the committee and sets out good practices that the committee should follow. These include:

- Establishing an independent and effective model
- Ensuring that the committee covers the core functions:
 - Supporting the maintenance of governance, risk, and control arrangements
 - Financial and governance reporting
 - Appropriate and effective arrangements for audit and assurance
- Establishing a committee with the necessary expertise and understanding
- Engaging with those charged with governance, senior officers, auditors, and other committees
- Reporting annually
- Evaluation of its own impact and identifying areas for improvement

Key changes from previous guidance

The statement continues many points from the 2018 edition, but overall it places a stronger emphasis on factors that will help the committee be more effective.

One key area is to ensure that the committee is independent of executive decision making and separate from other committees. This means that ideally the committee should remain advisory rather than having delegated powers. Police audit committees are required to be advisory only, by the Home Office.

Some audit committees must follow legislation or guidance on their structure, in particular the number of co-opted independent members (or lay members). Where there is no direction, CIPFA's recommendation is that each audit committee should include at least two lay members to provide appropriate technical expertise. As well as expertise, lay members can also provide some continuity when elected committee members rotate onto other committees, or there are changes following elections.

The statement includes a stronger emphasis on financial reporting and external audit, building on themes considered under the Redmond Review. Audit committee members in

England will be acutely aware of difficulties with timely completion of the audit and committees will need to do what they can to support finance teams and auditors to resolve the issues.

Improving understanding of the committee

To have impact as an advisory committee can be challenging, but it is important that the voice of the audit committee is heard. If the committee has concerns about issues raised by internal or external audit, or can see good governance becoming threatened, then it needs to escalate those concerns to the leadership team and those charged with governance. It is vital that all those in leadership and governance roles understand the role and purpose of the committee, and how its work benefits the authority.

CIPFA has produced some 'frequently asked questions' to support the briefing of councillors, Police and Crime Commissioners, and all those interacting with the committee, or to whom the committee may make recommendations. There is one version for authorities and another for police. CIPFA hopes that building the committee's profile will support the committee in its work:

[The audit committee and organisational effectiveness in local authorities](#)

[The audit committee and organisational effectiveness in policing](#)

For authorities, where some of the committee membership will be drawn from elected members, greater understanding will encourage interest in joining the committee.

Annual reports

CIPFA has recommended that committees should produce an annual report, and many already do. This is now included as a requirement in the statement. The report should disclose how the committee has complied with CIPFA's statement and discharged its responsibilities as set out in the terms of reference. CIPFA also recommends that an assessment of the committee's performance should be included, and where there are plans to make changes, it can highlight these.

Assessing the committee

CIPFA is updating its guidance publication, [Audit Committees, Practical Guidance for Local Authorities and Police](#) to support the 2022 position statement. The update, available in September, includes amendments to the improvement tools included in the 2018 edition. These will support the committee in its assessment of whether it is following the recommended practice and consider how it is having an impact. As the committee will report annually, it should undertake or review its own assessment each year.

Planning training and support for the committee

For those new to the audit committee, understanding its role and areas of responsibility can be daunting. Experienced audit committee members joining as lay members may be new to the local government or policing context. It is therefore vital that proper support and training is made available to the committee. There are a range of options available, including briefings from officers, commissioning training for in-house delivery, or attending training or webinars. There are also opportunities for chairs of authority committees in England and Wales to attend regional meetings supported by the LGA and Welsh LGA.

A committee can also consider obtaining feedback or an external review. Feedback from those who interact with the committee, such as the external auditors, head of internal audit or CFO, can be helpful in identifying areas of training need. The committee chair might like to take the lead on these discussions. Some suggested questions are below:

	Suggested feedback questions
1	Do you think the committee operates at the right level, focusing on arrangements, rather than operational details?
2	Are there areas of the committee's terms of reference where the committee should focus more?
3	When you are asked questions by the committee are they: <ul style="list-style-type: none"> • Relevant for the topic in hand? • Sufficiently challenging? • Non-political in nature?
4	Does the committee act when you might expect them to? For example, making recommendations or escalating areas of concern to appropriate officers or those charged with governance?
5	Do all members of the committee engage with audit committee business?
6	Do committee member demonstrate sufficient knowledge and understanding of the areas on the agenda?
7	Are there any changes you would like to see the committee make?

Getting the most from Internal Audit

Internal audit is a vital source of assurance to the audit committee, so it is essential that your internal audit arrangements are fit for purpose and there is a good understanding of how the committee can work best with them.

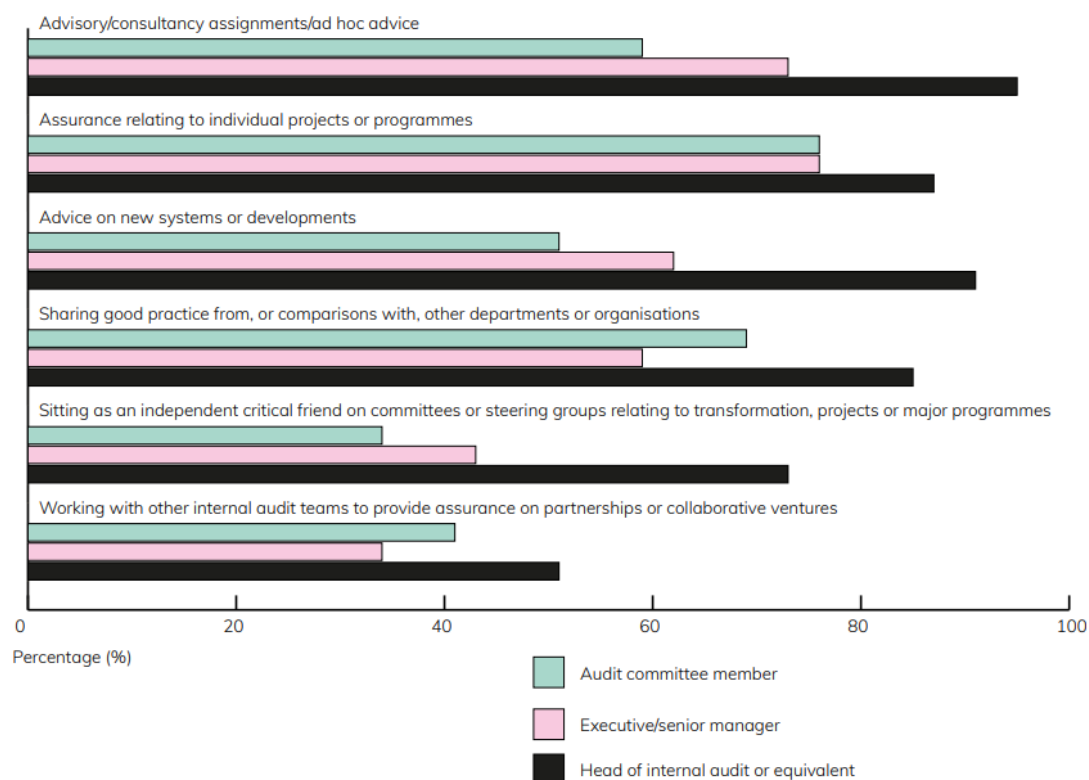
In May, CIPFA published [Internal Audit: Untapped Potential](#). This is a research report of internal audit across the public services. It featured a major survey capturing the views of over 800 internal auditors, management clients and audit committee members. CIPFA also conducted five focus groups and spoke to a range of stakeholders. The report highlights how internal audit is having an impact and supporting their organisations. It also identifies opportunities to do more and for audit committees and management to better support internal audit.

Insights for the audit committee

The report identified several aspects that audit committees should reflect on. The report encourages all parties to reflect on and discuss their internal audit arrangements to ensure there is support for both current and future needs.

Understanding the value of audit

The report identified that audit committee members didn't always have a full understanding of the range of internal audit work. The chart below shows the results from the survey, showing that audit committee members had lower awareness of current internal audit services than those identified by the head of internal audit.



The view of what internal audit currently delivers, split by role.

CIPFA recommends that heads of internal audit should improve their communication with the committee and explain the nature of internal audit consultancy or advisory work. Early involvement of internal audit in projects, new developments and collaborations can help ensure that appropriate governance, risk management and controls are put in place, helping to avoid problems later. Where internal audit does little advisory work, then the committee should explore this opportunity with management and auditors.

The organisation's assurance, governance, and risk arrangements

The survey identified a lack of clarity around assurance frameworks and the robustness of risk management. Heads of audit told us that where these arrangements are weak, then internal audit can end up filling the gaps. Improving the management of risk and ensuring that the committee and management have a good understanding of assurance, would be good objectives for an audit committee to consider.

Ensuring that the audit committee itself is operating effectively and providing appropriate oversight of internal audit is also important.

Longer-term strategy for internal audit

Many audit teams have had resourcing pressures in the last decade, and organisations currently face new financial pressures. At the same time, many teams are struggling to recruit and retain internal auditors, particularly experienced professional staff. Whether internal audit is delivered in-house or through a shared or outsourced arrangement, the team will need sufficient resources to conform with the Public Sector Internal Audit Standards and deliver the assurances that the organisation needs. To recruit and retain skilled staff the employer will need to offer satisfying career opportunities.

This is a difficult challenge in many organisations and the audit committee should encourage a strategic approach to audit resource planning and be aware of the risks.

Exploring opportunities

Internal auditors, clients and audit committee members identified future priorities for audit work and the top areas were:

- Cybersecurity
- Digitisation and the greater use of data within the organisation
- Environmental sustainability/climate change
- Financial viability
- Culture and ethics
- Supporting improved risk maturity

When discussing audit plans, audit committees may wish to consider the assurance they could receive from internal audit on these areas. For some topics listed, auditors may need specialist knowledge, and so training, and development need to be factored into resourcing plans.

Next steps

The report is detailed, but there is a [summary report](#) and a handy list of [ten questions](#) for audit committees to discuss with their auditors. Please engage with these resources and explore the areas that will help your organisation to get the best out of your internal audit arrangements.

Webinars and training for audit committee members from CIPFA in 2022

Understanding your council's financial reporting requirements

Webinar to support the review of the financial statements

- [31 August](#)

Introduction to the knowledge and skills of the audit committee

Dates for the webinar are:

- [13 and 14 September \(mornings only\)](#)

Introduction to the knowledge and skills of the police audit committee

- [14 and 15 September \(mornings only\)](#)

Update for police audit committee members

This webinar is suitable for members of the joint audit committees supporting police and crime commissioners (PCCs) and chief constables. It is run in conjunction with CIPFA's Police and Fire Network. Provisional date: 20 October 2022

Update for local authority audit committee members

This webinar will provide an update on current topics relevant for the work of audit committees. Provisional date: December 2022/January 2023.

Full programme details and booking information for webinars in 2022 will be announced later in the year and will be available on the [CIPFA website](#).

In-house training, facilitation, and evaluation of your audit committee

In-house training, webinars and guidance tailored to your needs are available. Options include:

- Key roles and responsibilities of the committee
- Effective chairing and support for the committee
- Working with internal and external auditors
- Public Sector Internal Audit Standards
- Corporate governance
- Strategic risk management
- Value for money
- Fraud risks and counter fraud arrangements
- Reviewing the financial statements
- Assurance arrangements
- Improving impact and effectiveness.

We can also undertake an effectiveness review of the committee, providing feedback on areas the committee can improve on and supporting the development of an action plan.

For further information, email diana.melville@cipfa.org or visit the [CIPFA website](#) for further details on the support we have available for audit committees.

Previous issues of Audit Committee Update

You can download all the previous issues from the CIPFA Better Governance Forum website. Click on the links below to find what you need.

Principal content	Link
Please note the content from some earlier issues has been replaced by more recent issues and so they are not listed below.	
Issues from 2012	
Assurance Planning, Risk Outlook for 2012, Government Response to the Future of Local Audit Consultation	Issue 7
Commissioning, Procurement and Contracting Risks	Issue 8
Reviewing Assurance over Value for Money	Issue 9
Issues from 2013	
Public Sector Internal Audit Standards and Updates to Guidance on Annual Governance Statements	Issue 10
Local Audit and Accountability Bill, the Implications for Audit Committees, Update of CIPFA's Guidance on Audit Committees	Issue 11
Issues from 2014	
Reviewing the Audit Plan, Update on the Local Audit and Accountability Act	Issue 13
Issues from 2015	
What Makes a Good Audit Committee Chair? Governance Developments in 2015	Issue 16
The Audit Committee Role in Reviewing the Financial Statements	Issue 17
Self-assessment and Improving Effectiveness, Appointment and Procurement of External Auditors	Issue 18
Issues from 2016	
Good Governance in Local Government – 2016 Framework, Appointing Local Auditors	Issue 19
CIPFA Survey on Audit Committees 2016	Issue 20
The Audit Committee and Internal Audit Quality	Issue 21
Issues from 2017	
Developing an Effective Annual Governance Statement	Issue 22
2017 Edition of the Public Sector Internal Audit Standards, Risks and Opportunities from Brexit	Issue 23

Issues from 2018	
The Audit Committee Role in Risk Management	Issue 24
Developing an Effective Annual Governance Statement	Issue 25
CIPFA Position Statement on Audit Committees in Local Authorities and Police 2018	Issue 26
Issues from 2019	
Focus on Local Audit, National Audit Office Report: Local Authority Governance	Issue 27
The Audit Committee Role in Counter Fraud	Issue 28
CIPFA Statement on the Role of the Head of Internal Audit External Audit Arrangements for English Local Government Bodies	Issue 29
Issues from 2020	
CIPFA Financial Management Code, Responding to the Redmond Review: Results of CIPFA's Survey on Audit Committees	Issue 30
Compendium Edition: Reviewing the Audit Plan, Self-assessment and Improving Effectiveness, Developing an Effective Annual Governance Statement and Focus on Local Audit	Issue 31
COVID-19 Pandemic – Key Issues for the Audit Committee Regular Briefing on New Developments	Issue 32
The head of Internal audit annual opinion for 2020/21 Update on the Redmond Review	Issue 33
Issues from 2021	
The Annual Governance Statement for 2020/21, Internal audit and external audit working together	Issue 34
Supporting improvements to risk management arrangements, Defining the relationship between the audit committee and the scrutiny function, New consultation on local audit and audit committee arrangements	Issue 35



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