



Haverling

LONDON BOROUGH

AUDIT COMMITTEE AGENDA

7.00 pm	Tuesday 18 April 2023	Council Chamber, Town Hall, Main Road, Romford Room
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Members 7: Quorum 3

COUNCILLORS:

**Conservative Group
(3)**

Judith Holt
Keith Prince
Michael White

**Haverling Residents'
Group
(3)**

Julie Wilkes
(Chairman)
David Godwin (Vice-
Chair)
Sarah Edwards

**Labour Group
(1)**

Jane Keane

**For information about the meeting please contact:
Christine Elsasser 01708 433675
christine.elsasser@OneSource.co.uk**

Under the Committee Procedure Rules within the Council's Constitution the Chairman of the meeting may exercise the powers conferred upon the Mayor in relation to the conduct of full Council meetings. As such, should any member of the public interrupt proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting while this takes place.

Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) – received.

3 DISCLOSURE OF INTERESTS

Members are invited to declare any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in any item at any time prior to the consideration of the matter.

4 MINUTES OF THE MEETING 24 JANUARY 2023 (Pages 1 - 2)

To approve as correct the minutes of the meeting held on 24 January 2023 and authorise the Chairman to sign them.

5 ASSURANCE PROGRESS REPORT (Pages 3 - 16)

Report attached.

6 DRAFT INTERNAL AUDIT PLAN 2023/24 CONSULTATION (Pages 17 - 22)

Report and appendix attached.

7 RISK MANAGEMENT UPDATE (Pages 23 - 42)

Report and appendix attached.

8 FUTURE AGENDA ITEMS (Pages 43 - 44)

Work Programme attached for discussion.

Zena Smith
Democratic and Election
Services Manager

**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
Town Hall, Main Road, Romford
24 January 2023 (7.00 - 8.35 pm)**

Present:

COUNCILLORS:

Conservative Group Judith Holt and Keith Prince

Residents' Group Julie Wilkes (Chairman), David Godwin (Vice-Chair)

Labour Group Jane Keane

Apologies were received for the absence of Councillors Michael White and Sarah Edwards.

Councillor Judith Holt arrived at 19:50

2 Members of the public and 1 representative of the Press were present.

Unless otherwise indicated all decisions were agreed with no vote against.

Through the Chairman, announcements were made regarding emergency evacuation arrangements and the decision making process followed by the Committee.

96 MINUTES OF THE MEETING 19 OCTOBER 2022

The meeting minutes of the Committee held on 19 October 2022 were agreed as a correct record and would be signed by the Chairman.

97 TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24 AND ANNUAL INVESTMENT STRATEGY 2023/24 (TMSS), TREASURY INDICATORS

The Committee were presented with The Treasury Management Strategy Statement ("TMSS") report that was a part of the authority's reporting procedures as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management ("TM") Code and its Prudential code ("The CIPFA Prudential Code") for capital finance in local authorities.

The TMSS sets out recently introduced changes to the legislative framework, which were generally designed to place restrictions on authorities' commercial activity.

It was explained that the report fulfilled the authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA TM Code/Prudential Code and Government Guidance, and it covered the following:

- The Borrowing and Investment Strategies

- Treasury Management and Prudential Indicators - there was a change to them from the revised CIPFA TM Code and Prudential Code (2021) and is discussed later in the report and would be reported upon in the 2023-24 TMSS. At the time of writing, the report the capital programme had not been finalised and therefore the figures in the report may change before they are presented to Cabinet.

The Committee **considered, commented** and **noted** the report.

98 **ASSURANCE PROGRESS REPORT**

The Committee were presented with a report that advised the Committee on the work undertaken by the Assurance Service (internal audit and counter fraud) during the period from 1st October to 31st December 2022. The report included: Housing Service charges, Project and Programmes, Voids Follow up, Payrolls Follow Up and Counter Fraud Audit Work. The relevant Officers were at the meeting to answer the questions of Members.

The Committee **noted** the contents of the report.

99 **REPORT ON MERCURY LAND HOLDINGS**

The Committee were presented with a report that advised the Committee on the background, activity and financial status of Mercury Land Holdings, the Council-owned development company.

The Committee **noted** the report.

100 **NEXT MEETING AGENDA ITEMS/WORK PROGRAMME**

It was decided there would be an addition meeting to further discuss Mercury Land Holdings on 23 February 2023.

The following items would be on the agenda for 18 April 2023:

- Accounts Update (overview accounts)
- Community Grants

Chairman

AUDIT COMMITTEE
18 04 2023

Subject Heading:	Assurance Progress Report
SLT Lead:	Dave McNamara, Interim Section151 Officer
Report Author and contact details:	Jeremy Welburn, Head of Assurance Tel: 01708 432610 / 07976539248 Email: jeremy.welburn@onesource.co.uk
Policy context:	To inform the Committee of progress on assurance work during 2022/23.
Financial summary:	There are no financial implications or risks arising directly from this report which is for information only.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report advises the Committee on the work undertaken by the Assurance Service (internal audit and counter fraud) during the period from 1st January to 31st March 2023.

RECOMMENDATIONS

1. To note the contents of the report.
2. To raise any issues of concern and ask specific questions of officers where required.

REPORT DETAIL

1. Introduction

- 1.1 The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) and other guidance.
- 1.2 Audit committees are a key source of assurance about an organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance. Whilst the Council's Section 151 Officer has overarching responsibility for discharging the requirement for sound financial management, to be truly effective, an effective audit committee to provide support and challenge on the governance arrangements the Council has in place.
- 1.3 Internal audit is a key component of corporate governance within the Council. An independent internal audit function will, through its risk-based approach to work, provide assurance to the Council's Audit Committee and senior management on the higher risk and more complex areas of the Council's business, allowing management to focus on providing coverage of routine operations.
- 1.4 The work of internal audit is critical to the evaluation of the Council's overall assessment of its governance, risk management and internal control systems, and forms the basis of the annual opinion provided by the Head of Assurance which contributes to the Annual Governance Statement. It can also perform a consultancy role to assist in identifying improvements to the organisation's practices.
- 1.5 The Annual Audit Plan was presented to Audit Committee in July 2022. The plan was developed in line with the four priorities outlined in The Havering Plan. Members are reminded that the 2022/23 audit plan was presented as a flexible plan, subject to review through the year to ensure that emerging risks are covered. Adjustments to the plan are made to allow for changes in the risk and operational environment in which the Council operates. The status of the 2022/23 Internal Audit Plan is in Section 5 of this report.
- 1.6 This report brings together all aspects of internal audit and counter fraud work undertaken during quarter four (the period from 1st January to 31st March 2023), in support of the Audit Committee's role.
- 1.7 The report supports the Head of Assurance's ongoing assurance opinion on the internal control environment and highlights key outcomes from internal audit and counter fraud work and provides information on wider issues of interest to the Council's Audit Committee.

2. Executive Summary of work undertaken by Internal Audit during quarter four of 2022/23

2.1 Current, cumulative progress toward delivery of the 2022/23 audit plan, as at the end of March 2023, is summarised in the table below, with further detail provided in Section 2.3 below. It should be noted that some of the work undertaken by internal audit does not result in an opinion being provided, such as advisory reviews and grant claims.

Audit Plan Status	Number of Audits / Tasks
Final reports issued / Reviews Completed	12
Draft reports issued	6

2.2 In giving an overall Audit opinion on the system control environment within the areas reviewed, there are two levels of assurance as follows:

Key to Assurance Levels	
Reasonable Assurance	The control framework is adequate to manage the risks in the areas reviewed. Controls are applied consistently or with minor lapses that do not result in significant risks to the achievement of system objectives.
Limited Assurance	There are fundamental weaknesses in the internal control environment within the areas reviewed, and further action is required to manage risks to an acceptable level.

2.3 The tables below details the results of the work undertaken during quarter four of 2022/23. There were 3 high risk recommendations raised during the quarter four of 2022/23 These recommendations are provided with the limited assurance summary reports to which they relate in section 3.

Audit Title – LBH Systems Audits	Assurance	Recommendations			
		H	M	Adv	Total
<u>Full System Reviews:</u>					
Private Sector Leasing (PSL) Follow Up	Reasonable	0	1	2	3
Licensing – Process Review	Reasonable	0	0	1	1
DPIA Compliance - CCTV	Limited	3	0	0	3
Social Care Contract Award Follow Up	Reasonable	0	0	0	0
Supporting Families (Final Review)	Reasonable	0	0	0	0
SEND Transport Follow Up	Reasonable	n/a	n/a	n/a	n/a
Cash Collection (Parking)	Completed	0	0	1	1
<u>Advisory Reviews / Investigation:</u>					
Complaints Process (Phase 1 – to assess current risks)	Completed				
Potential Data Breach	Completed				
System Audits Total		3	1	4	8

Audit Title – LBH Schools Audits	Assurance	Recommendations			
		H	M	Adv	Total
Scotts Primary	Reasonable	0	1	1	2
St Ursulas Primary	Reasonable	0	4	0	4
RJ Mitchell Green	Reasonable	0	5	0	5
School Audits Total		0	10	1	11

- 2.4 Internal Audit follows up all high and medium risk audit recommendations with relevant service management. There is a rolling programme of follow up work, with each auditor taking responsibility for tracking the implementation of recommendations made in their audit reports. The implementation of audit recommendations, in systems where limited assurance was provided, is verified through a follow up audit review.
- 2.5 This work is of high importance given that the Council’s risk exposure remains unchanged if management fail to implement the recommendations raised in respect of areas of control weakness. Part of the Audit Committee’s role is to monitor the extent to which recommendations are implemented as agreed and within a reasonable timescale, with particular focus applied to any high risk recommendations.
- 2.6 All high and medium risk recommendations due as at the end of March 2023 have been followed up and confirmed with management as implemented. Any recommendations that remain outstanding and are past agreed implementation dates will be reported to Audit Committee. A complete list of all recommendations raised during 2023/24 and their current status will be reported to Audit Committee alongside the annual report and Head of Assurance opinion in July 2023.
- 2.7 Recommendations are classified into three potential categories according to the significance of the risk arising from the control weakness identified. The three categories comprise:

High	Fundamental control requirement needing implementation as soon as possible.
Medium	Important control that should be implemented.
Advisories	Pertaining to best practice.

3 Limited Assurance Report Summaries and Recommendations

3.1 DPIA Compliance (CCTV)

3.1.1 Scope of Review

UK General Data Protection Regulation (GDPR) states that a Data Protection Impact Assessment (DPIA) must be completed if you plan to systematically monitor publicly accessible places on a large scale.

Audit assistance was requested to undertake some work on CCTV DPIA Compliance following a requirement to complete a survey from the Office of the Biometrics and Surveillance Camera Commissioner.

The aim of the review was to determine if DPIA's were in place where CCTV (including body cams and other forms of overt surveillance camera systems) was in use across the Council.

3.1.2 Summary of Findings

- There is an overall lack of ownership for managing and coordinating the Council's CCTV operations, including ensuring compliance with local and legislative requirements.
- There is no central list setting out all areas where CCTV / applicable equipment is being used.
- Discussions with senior officers in Council departments contacted during this review highlighted that there is a lack of knowledge across the council in relation to the responsibilities in relation to CCTV.
- The lack of an agreed Council wide approach to cover the Council's CCTV activities, in addition to the absence of any overarching ownership has resulted in non-compliance with the DPIA requirements.

The overall audit opinion provides **Limited Assurance** that the Councils CCTV complies with DPIA. This means there are fundamental weaknesses in the internal control environment within the areas reviewed, and further action is required to manage risks to an acceptable level.

3.1.3 DPIA Compliance Recommendations and Management Action Plan

Recommendations & Management Action Plan	
Summary of Findings	Recommendations, Management Response inc. Planned Actions
<p>Under the General Data Protection Regulation (GDPR), a Data Protection Impact Assessment (DPIA) is mandatory where data processing “is likely to result in a high risk to the rights and freedoms of natural persons”. Non-compliance with this may result in the Information Commissioning Office (ICO) imposing significant fines to the council.</p> <p>Initial enquiries as part of this review identified that there is no central ownership / responsibility for managing Council wide CCTV activities. There are also no central records in place to determine how many cameras are in operation across the Council.</p> <p>As part of the review Internal Audit were able to identify eight services where CCTV is in place and managed by the Council. Service managers contacted were asked if a DPIA had been completed for any CCTV in place. Of these eight services three confirmed verbally that a DPIA was in place. The remaining five services were either unaware of the need for a DPIA, or confirmed that the process had not been completed.</p>	<p>R1 (High) SLT should be suitably informed of the risks arising from this report and the Council’s exposure in this area.</p> <p>A decision should then be made by SLT to agree where overarching responsibility for Council wide use of CCTV should sit, to provide services with CCTV with a Single Point of Contact (SPOC).</p> <p>Agreed Action: TBC</p> <p>Timescale: TBC</p> <p>R2 (High) Collate and maintain a central record of CCTV currently in place across the organisation.</p> <p>This should include establishing a network of key contacts across all relevant areas in order to work collaboratively and provide clear lines of communication.</p> <p>Where this process identifies CCTV not supported by a DPIA action should be taken to address this immediately.</p> <p>Agreed Action: TBC</p> <p>Timescale: TBC</p>

<p>Internal Audit have been unable to determine where overall responsibility for the Council's CCTV operations sits. The lack of ownership has resulted in there being no standard approach to the use of CCTV. Internal Audit were unable to locate any guidance to staff which outlines requirements in relation to the use of CCTV, including the need for a DPIA to be completed.</p> <p>A Monitoring & Surveillance Policy was located on the intranet however this appears to have been produced in 2017 and makes no reference to DPIAs. Whilst it is acknowledged that there may be references to the need for DPIAs in other policies and procedures, there is a reliance on officers to seek these out without clear signposting. It is clear based on the findings of this review that there is a lack of understanding within the departments covered by this review, as to their responsibilities. In the absence of any oversight, non-compliance with this requirement has gone undetected.</p>	<p>R3 (High) Produce and publish guidance to make Council staff aware of their responsibility in terms of complying relevant legislative requirements (GDPR).</p> <p>This should include clear signposting on the intranet to ensure that officers procuring new CCTV / applicable equipment not only have access of guidance, but are aware of the need to engage with the SPOC in order to update the central records.</p> <p>Agreed Action: TBC</p> <p>Timescale: TBC</p>
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4 Counter Fraud Audit Work

4.1 Proactive Counter Fraud Investigations

The counter fraud service are continuing to follow up, fraud referrals, desk based intelligence checks and investigations with door step visits and Interviews under Caution where necessary. Proactive work undertaken during 01/04/2022 to 31/03/2023 is shown below:

Description	Risks	Number Received
Advice to Directorates	General advice and support to Directors and Heads of Service including short ad-hoc investigations, audits and compliance.	6
Advice to Other Local Authorities	All Data Protection Act requests via Local Authorities, Police etc	2
Fraud Hotline	To take all telephone calls and emails relating to the 'Fraud Hotline' and refer appropriately.	0
FOI Requests	To undertake all Freedom of Information (FOI) Requests.	0
National Fraud Initiative Data Upload	To co-ordinate the data upload for the 2022/23 NFI. All data has been uploaded in accordance with the NFI Specification. The NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and is conducted every two years.	Matching has now been completed and the results are now under review.

4.2 Reactive Investigation Cases

Seven referrals were brought forward from the previous period:

- Two case has been investigated and concluded; and
- The remaining five cases are still under investigation.

During 01/01/23 to 31/03/23 one referral was received; this has been investigated and concluded.

4.3 Housing Cases

The following table illustrates the work undertaken in relation to housing fraud and right to buy (RTB) applications:

Description	2021/2022	2022/2023
Number of referrals investigated	91	123
Properties recovered	6	10
Notional Saving	£108,000	£180,000
RTB checked	146	101
RTB stopped	2	5
Notional Saving	£225,600	£581,000
Total Notional Saving	£333,600	£761,000

4.4 The following table illustrates the breakdown of cases:

Description	2022/23 (to date)
Number of referrals brought forward	60
Number of new referrals retained for investigation *	63
Number of referrals currently under investigation	68
• Notice To Quit (NTQ) / Surrender of Tenancy (SOT) issued	7
• Pending bailiff action / Awaiting Eviction	2
• Passed to Legal Services for Criminal / Civil Proceedings	10
• Awaiting Court Hearing	2
• Open Investigations	47
Number of completed (Closed) investigations	55
• Properties Recovered	10
• RTB stopped **	5
• Criminal Prosecution	1
• Homeless Duty Discharged / Stopped Change of Tenancy	2
• NFA	28
• No Offence	9

Key: * Total number of referrals received and triaged is 152. However, only 63 are being investigated as the remaining referrals do not get investigated by the Counter Fraud Team, e.g. Housing Benefit, other LA's.

** Total number of RTB's referred and reviewed is 101

NB: Housing Services refer Mutual Exchanges to the Counter Fraud Team to review. A total of 58 Mutual exchanges have been referred and reviewed. One had been retained for further investigation but has since been closed.

5 Status of Internal Audit Plan 2022/23

Audit Title – LBH Systems Audits	Opinion / Status as at end Q4	Recommendations			
		H	M	Adv	Total
Governance Arrangements (Highways)	Completed – Advisory review				
Pro-active Data Matching Exercise (Accounts Payable and Payroll)	Reasonable	0	0	2	2
SEND Transport	Limited	4	4	2	10
Contract Management - Cash Collection	Limited	3	1	0	4
Direct Payments	Reasonable	0	4	2	6
Housing – Property Buy-Backs	Reasonable	0	1	1	2
Supported Families (Quarter One Review)	n/a	n/a	n/a	n/a	n/a
Supported Families (Quarter Two Review)	n/a	n/a	n/a	n/a	n/a
Supported Families (Quarter Three Review)	n/a	n/a	n/a	n/a	n/a
DPIA Compliance - CCTV (ICT Governance) Phase 1	Completed	n/a	n/a	n/a	n/a
Projects and Programmes	Limited	1	2	0	3
Housing – Service Charges	Limited	4	0	0	4
Voids – Follow Up	Limited	2	0	0	2
Payroll Follow Up (Compliance - Key Financial)	Limited	3	0	0	3
Licensing – Process Review	Reasonable	0	0	1	1
DPIA Compliance - CCTV (ICT Governance) Phase 2	Limited	3	0	0	3
Potential Data Breach – Investigation	Completed	n/a	n/a	n/a	n/a
Cash Collection (Parking)	Completed	0	0	1	1
Contract Management – Environment (Phase 1)	Completed	n/a	n/a	n/a	n/a
Mayors Appeal Fund	Completed	n/a	n/a	n/a	n/a
Complaints Process (Phase 1 – to assess current risks)	Completed	n/a	n/a	n/a	n/a
Supporting Families – Year End Assurance (Inc. Q4 review)	Reasonable	0	0	0	0
Social Care Contract Award Follow Up	Reasonable	n/a	n/a	n/a	n/a
SEND Transport Follow Up	Reasonable	n/a	n/a	n/a	n/a
Private Sector Leasing (PSL) Follow Up	Reasonable	0	1	2	3
Total to the end of Quarter 4		20	13	11	44

Audit Committee, 18 April 2023

Procurement – Traded Services	Draft Report				
Contract Management – Environment (Phase 2)	Draft Report				
Housing - Compliance	Draft Report				
Supplier Creation (Compliance – Key Financial)	Draft Report				
Faster Payments (duplicate payments)	Draft Report				
Waivers	Draft Report				
Housing – Responsive Repairs	Underway	Moved to 2023/24 Plan			
Planning	Added to 2023/24 Audit Plan				
Public Realm – Risk Mapping Phase 2	Added to 2023/24 Audit Plan				
Continuing HealthCare	Added to 2023/24 Audit Plan				
Highways Services (including Contract Management)	Added to 2023/24 Audit Plan				
Joint Ventures – Governance & Compliance	For consideration in 2023/24 Audit Plan				
Safeguarding Adults	Removed following risk assessment with Director				
Audit Title – LBH Schools Audits					
Scotts Primary	Reasonable	0	1	1	2
St Ursula’s Catholic Primary	Reasonable	0	4	0	4
The RJ Mitchell Primary	Reasonable	5	5	0	5
Parklands Primary	Moved to 2023/24				
Academies					
Emerson Park Academy	Reasonable	0	1	3	4
Shaw Primary Academy	Reasonable	0	2	0	2
Health Checks					
Health Checks (15)	8 Completed	7 moved to 2023/24			

IMPLICATIONS AND RISKS

Financial implications and risks:

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

By maintaining an adequate internal audit service, management are supported in the effective identification and efficient management of risks and ultimately good governance. Failure to maximise the performance of the service may lead to losses caused by insufficient or ineffective controls or even failure to achieve objectives where risks are not mitigated. In addition recommendations may arise from any audit work undertaken and managers have the opportunity of commenting on these before they are finalised. In accepting audit recommendations, the managers are obliged to consider financial risks and costs associated with the implications of the recommendations. Managers are also required to identify implementation dates and then put in place appropriate actions to ensure these are achieved. Failure to either implement at all or meet the target date may have control implications, although these would be highlighted by any subsequent audit work. Such failures may result in financial losses for the Council.

Climate Change implications and risks:

None arising directly from this report. Risks around this are reflected in the Corporate Risk Register and incorporated into the scope of audits where relevant.

Legal implications and risks:

None arising directly from this report.

Human Resources implications and risks:

None arising directly from this report.

Equalities implications and risks:

None arising directly from this report.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

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AUDIT COMMITTEE 18 04 2023

Subject Heading:	Draft Internal Audit Plan 2023/24 Consultation
SLT Lead:	Dave McNamara, Interim Section151 Officer
Report Author and contact details:	Jeremy Welburn Head of Assurance. Tel: 01708 432610 / 07976539248 E-mail: jeremy.welburn@onesource.co.uk
Policy context:	To inform the Committee of the proposed audit plan for 2023/24.
Financial summary:	There are no financial implications arising from approving the audit plan/strategy. It is expected that the costs of implementing both will be contained within the revenue budget for internal audit.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

The Public Sector Internal Audit Standards refer to the need to produce a risk-based Internal Audit Plan. This should take into account the requirement to produce an annual internal audit opinion and report that can be used by each Council to inform the Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. To support this, the risk-based plan needs to include an appropriate and comprehensive range of work.

The report sets out the approach to producing the draft Internal Audit plan and invites comment from Members.

RECOMMENDATIONS

1. To comment on the draft 2023/24 Internal Audit Plan.
2. To raise any issues of concern and ask specific questions of officers, where required.

REPORT DETAIL

1. Introduction

1.1 The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) and other guidance.

1.2 Internal audit is a key component of corporate governance within the Council. The three lines of defence model, as detailed below, provides a straightforward framework for understanding the role of Internal Audit in the overall risk management and internal control processes of an organisation:

- First line – operational management controls
- Second line – monitoring controls, e.g. the policy or system owner / sponsor
- Third line – independent assurance

The Council's third line of defence includes Internal Audit, who should provide independent assurance to senior management and the Audit Committee on how effectively the first and second lines of defence have been operating.

1.3 An independent Internal Audit function will, through its risk-based approach to work, provide assurance to the Council's Audit Committee and senior management on the higher risk and more complex areas of the Council's business, allowing management to focus on providing coverage of routine operations.

1.4 The work of Internal Audit is critical to the evaluation of the Council's overall assessment of its governance, risk management and internal control systems, and forms the basis of the annual opinion provided by the Head of Assurance which contributes to the Annual Governance Statement. It can also perform a consultancy role to assist in identifying improvements to the organisation's practices.

2. Internal Audit Plan

- 2.1 To develop the 2023/24 audit plan and to ensure that this reflects the Council's strategic risks, officers within the Assurance Service have been involved in discussions with the Section 151 Officer, Directors and senior management to review risks in their areas.
- 2.2 The draft plan has been developed using the Council's Vision and three objectives introduced for 2023/24. While a number of key risk areas and audits have already been identified, there is also an allocation to carry out risk mapping. Additional budget has been provided for compliance work, to enable the Internal Audit Team to continue to develop and embed the use of Power BI and data analytics. It is proposed that the 2023/24 plan is flexible to allow for changes in the risk and operational environment in which the Council operates.
- 2.3 The Draft Internal Audit Plan 2023/24 is included as Appendix 1. The Plan is exclusive of Counter Fraud investigations but there is a provision for Internal Audit staff to support Counter Fraud work on system related work.

Appendices: Draft Internal Audit Plan 2023/24

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications arising from approving the plan. The financial implications arising from implementation of the plan are predominantly staffing costs and associated resources. It is expected that costs will be contained within the budget for internal audit and any variance will be reported and addressed through budget monitoring processes.

By maintaining an adequate audit service to serve the Council, management are supported in the effective identification and efficient management of risks and ultimately good governance. Failure to maximise the performance of the service may lead to losses caused by insufficient or ineffective controls or even failure to achieve objectives where risks are not mitigated.

Legal implications and risks:

There are no apparent risks in noting the content of the report. Failure to effectively manage risks is likely to have legal consequences.

Human Resources implications and risks:

None arising directly from this report.

Equalities implications and risks:

None arising directly from this report.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

Appendix 1 – Draft Internal Audit Plan 2023/24

Audit Area	Proposed Scope/Audit Work	Proposed Timing	Estimated Budget (Days)
Core Assurances & Cross Cutting			
Governance			
General Governance Work	To include co-ordination of Annual Governance Statement and production of Audit Committee / SLT reports.	Ongoing	50
Assurance Work			
General Assurance Work	Advice and Consultancy, Audit Plan Management, Follow up of recommendations and Counter Fraud Support.	Ongoing	70
Follow Up Reviews	Follow up reviews for previous Limited or No Assurance audits.	Ongoing	
Grant reviews	To include ongoing Supported Families review and any other grants arising during the year that require audit review / sign off.	As need arises	
Compliance Work			
Key financial audits	Ongoing compliance work for key financial areas as a rolling programme of work.	Q1-3	30
Governance and Compliance Culture	Cross cutting	TBC	30
Risk			
Risk & Assurance Mapping	Identifying ongoing or planned work across services that provide additional assurances.	Ongoing	120
Contingency allowance	Provision for assurance work on emerging risk	As need arises	
Collaborative			
Joint Counter-Fraud Work	Increased Internal Audit and Counter-Fraud collaboration.	Ongoing	60
Targeting Operating Model	Advice and consultancy	Ongoing	
People			
School audit programme	Rolling triennial programme of maintained schools audits (estimated to be 11) and bought-in Health Checks (buy-in numbers to be confirmed).	Ongoing	120
Reablement Contract	Contract being retendered in 2023/204 at increased costs.	Q1	
Continuing Health Care	To consider VfM and review processes since this is an area of increasing cost pressures.	Q2	
Place			
Highways Services	Review of service risks and controls.	TBC	100
Public Realm	Review of service risks and controls.	TBC	
Planning	Review of service risks and controls.	TBC	

Voids (Tenant Rechargeable Repairs)	Highlighted as a risk in the 2022/23 PSL Follow Up review. To include both PSL and General Stock.	TBC	
Empty Properties (Council Tax Charges)	To review process and administration of exemptions.	TBC	
Household Support Fund	To review process and administration of fund.	TBC	
Resources			
Procurement	Scope to be determined following consultation with the Director of Procurement	Ongoing	120
Contracts Register	Link to action plan for this Significant Governance Issue on Annual Governance Statement.	Q1	
Contract Management	Review of contract management and monitoring arrangements based on a risk based sample selection.	TBC	
Complaints	Follow on from assurance memo in 2022/23 - Advice and consultancy for implementation of new system.	TBC	
Project (risk based deep dive reviews)	To be selected on a risk basis.	TBC	
ICT Service Desk	Review of process and outcomes for requests for ICT support and equipment	TBC	
ICT	ICT work to be scoped following ongoing security risk assessments.	TBC	
Total Audit Plan (Days)		700	

AUDIT COMMITTEE

Subject Heading:	Risk Management Update
SLT Lead:	Dave McNamara, Interim Section151 Officer
Report Author and contact details:	Jeremy Welburn Head of Assurance. Tel: 01708 432610 / 07976539248 E-mail: jeremy.welburn@onesource.co.uk
Policy context:	To provide the Committee with an update on the Corporate Risk Register.
Financial summary:	There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

The Council’s Corporate Risk Register is attached for review by Audit Committee.

RECOMMENDATION

The Council’s Corporate Risk Register is attached for review by Audit Committee. The Committee is invited to consider, with the assistance of Officers, the current level of risk to which the Council is exposed.

REPORT DETAIL

- 1.1 The Corporate Risk Register is subject to regular review and risks are discussed at monthly Governance and Assurance Board meetings, chaired by the Section 151 officer. Audit Committee should receive an updated Corporate Risk Register every six months.

- 1.2 As part of this ongoing review, new risks may be added and existing risks amended or removed at any time changes are identified.

- 1.3 A summary version of the current Corporate Risk Register is provided in Appendix 1. This includes current likelihood and impact scoring of the risks based on assessment by the risk owner (using the risk matrix from the Council’s Risk Management Strategy and Toolkit).

- 1.4 The Risk Management Strategy and Toolkit provides a comprehensive framework and process designed to support managers in ensuring that the Council is able to discharge its risk management responsibilities fully. The strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that we have in place to manage risk successfully.

- 1.5 Havering uses a 5 x 5 scoring matrix to assess the likelihood of a risk event occurring and the potential impact on the Council if it were to happen (below). The green shaded area on the matrix shows the risks where there is good control and the Council is comfortable with the level of risk. Risks in the amber and red zones are those over which closer control and further management action may be required.

Impact	Very High (5)	5	10	15	20	25
	High (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Low (2)	2	4	6	8	10
	Very Low (1)	1	2	3	4	5
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
		Likelihood				

- 1.6 Work continues by the Internal Audit & Risk Team to further embed the risk management strategy at a Directorate level, including risk workshops and

further training where required. This phase of work will ensure Directorate level risks are aligned to the strategic risks to ensure mitigating actions are managed consistently. This also includes wider rollout of access to JCAD, our Risk Management system, to make the process more efficient and effective; providing links to strategic objectives; easier monitoring and reporting, and demonstration of compliance with good risk management practices.

Financial implications and risks:

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

Legal implications and risks:

The Council is responsible for ensuring 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 and includes effective arrangements for the management of risk (Regulation 3 of the Accounts and Audit Regulations 2015).

There are no apparent risks in noting the content of this report.

Human Resources implications and risks:

None arising directly from this report.

Equalities implications and risks:

None arising directly from this report.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.


The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

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Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0005	<p>Financial Resilience – Inability to deliver a balanced budget as a result of:</p> <ul style="list-style-type: none"> • Inadequate Government Funding • Rising Demographic pressures and/or increased complexity of Social Care • Rapidly increasing inflation • Cost of Living Crisis • Delay or non-achievement of planned MTFS savings • Inability to forecast due to uncertainty over medium term Government Funding • Uncertainty regarding timing of future Government funding reforms including introduction of the care cap (currently no sooner than October 2025), whilst being required by government to move towards the median cost of care. • Difficulty in identification of further efficiencies and savings following a decade of Austerity and increased demand following the COVID pandemic • Government changes in policy e.g. changes to Home Office refugee dispersal 	March 2023	4	4	16	↔
Mitigation Action Plan						
<ul style="list-style-type: none"> - Early diagnosis of the financial gap to allow time for actions to be put in place including new savings proposals. - Lobby the Government at every available opportunity to put the case for both lack of Funding for local government generally and more specifically how Havering is disadvantaged from the current distribution formula. - Work with national lobbying groups such as the LGA and London Councils to put the case for more funding to the Government. - The Council has developed over £30m of savings proposals (over 4 years) which are being consulted on to reduce the financial gap which will be monitored for delivery. - The Council continues to review its structure to develop a new target operating model which both aligns with current service priorities but also delivers savings and efficiencies. - The Council is in the process of reviewing the Capital Programme to ensure that all schemes continue to be viable (see regeneration section of this risk register for further details). - The Council has developed action plans to mitigate and reduce the in-year overspend including: <ul style="list-style-type: none"> • All overspends reviewed and challenged to identify any non-recurrent spend which could be funded from reserves • All use of consultancy reviewed by senior management 						


Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
<p>HAV0019</p> <p>NEW</p>	<p>Technology: Business Continuity Planning – Business Continuity (BC) and Council’s Service Resilience in the event of an IT Outage.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Unavailability of IT and/or Telecoms, including from cyber attack • Reduced chances of preventing/responding to incidents due to a lack of forward planning or investment. <p>If the council has a Business Continuity disruption and is unable to ensure the resilience of key Council operations and business activities, then the impact of the event may be increased with a greater impact on people and council Services.</p>	<p>March 2023</p>	<p>4</p>	<p>4</p>	<p>16</p>	<p>n/a</p>
<p>Mitigation Action Plan</p>						
<p><u>Business Continuity and Council’s Service Resilience in the event of an IT outage</u></p> <ul style="list-style-type: none"> - A project to assess Business Continuity Planning (BCP) arrangements in the event of an outage have commenced via Havering Transformation Team. At present many Services are reliant on assumed protection and services provided by the IT team, but this assurance is now being assessed as part of this project. - Outages current rely on perceived timescales, and may not be aligned to likely outages based on all scenarios – such as Cyber Attack (3 months). - The Applications Audit undertaken by the Transformation Team has started to provide high-level outputs to identify system owners and risks, but the data needs to be verified and further information sought where risks are perceived. - Disaster Recovery (DR) capabilities for systems not hosted on IT-managed infrastructure will need to be verified by the System Owners and via vendors. 						


Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0004 AMENDED	Technology: Cyber Security – Technical Controls and Platforms The Council's risk level regarding Cybersecurity is higher than should be expected due to appropriate technical controls not being in place. Key potential causes are: - Lack of investment in appropriate technologies. - Reliance on in-house expertise, and self-assessments (PSN).	March 2023	4	4	16	↔
Mitigation Action Plan						
<u>Cyber Security – Technical Controls & Platforms</u> <ul style="list-style-type: none"> - Cyber Security Programme underway, through Capital funding, to put into place new technology and security controls to mitigate known issues. Delivery is monitored by the Senior Information Risk Owner (SIRO) and reported to the Information Governance (IG) Board. - Network Refresh Programme is underway, through Capital funding, to put into place new technology and security controls to mitigate known issues with the network technology and configuration. Currently evaluating contract tenders. Delivery is monitored by the SIRO. - Our Security Operations Centre service provisioned via 3rd party is enabling significant uplift in our ability to detect malicious attacks and has been successful in mitigating a number of vulnerabilities. 						

Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0015	<p><u>Regeneration – (Shaping the future of the Borough) – impact of costs inflation, social change and economic downturn</u></p> <ul style="list-style-type: none"> • Circumstances that have arisen at other Councils have highlighted the importance of monitoring the sustainability of significant regeneration programmes. • Quality of housing in Borough - ensuring it is fit for the future. • Inflationary rises mean that the cost of developments may not be sustainable / achievable. • Implications of the Building Safety Act. • Fire Safety regulation changes will impact on the viability / cost of schemes. • Demographic changes impacting on housing needs including changes in government policy 	March 2023	4	3	12	
Mitigation Action Plan						
<ul style="list-style-type: none"> - Regeneration schemes, capital budgets and forecasts are reported quarterly to Themed Board. - The pipeline schemes for the Joint Ventures and Mercury Land Holdings are reviewed at the Regeneration Officer Board every six weeks. - The financial viability of the joint ventures is regularly reviewed and professional advice sought as part of each Annual Business Plan refresh, which are approved at Cabinet: <ul style="list-style-type: none"> • The 12 Sites Joint Venture 2023/24 Business Plan was approved at Cabinet on 8 Feb 2023. • The Bridge Close Regeneration LLP 2023/24 Business Plan was approved at Cabinet on 8 Feb 2023. • The Mercury Land Holdings 2023/24 Business Plan refresh is in progress and expected to be presented to Cabinet in May 2023. • The Rainham and Beam Park Joint Venture 2023/24 Business Plan refresh is in progress and expected to be presented to Cabinet in June 2023. - Projects will be reported to a review group under the Places theme as part of the TOM. - Financial risks are included in each Regeneration Officer Board (ROB) report for each scheme. ROB is chaired by the s151 Officer and this occurs on a 6 weekly basis. - Project progress and risks are reviewed regularly through the Verto dashboard, and highlight reports are produced monthly. - The Regeneration Management team are scheduling risk reviews at a more regular basis, a directorate risk register has been created based on reported project risks. 						

- More work is being done to ensure synergy between the monitoring of risks at Corporate, Directorate and Project levels.
- Each business plan review takes independent professional advice as part of the viability review exercise. This is reflected in the annual report to Cabinet for each scheme.
- The two schemes being delivered from the Housing Revenue Account will provide an in-year business plan refresh to Cabinet in around September 2023.
- Greater focus on scheme viability at a project level: Gateway processes have been established to ensure that project viability meets the required hurdles before the Council commits to contract arrangements.
- Ensure adequacy of scheme contingency allowances: This is reviewed on a regular basis as part of financial monitoring and the annual business plan refresh exercise.
- Review of affordable housing products to maximise external grant/income opportunities: The Council has established a strong relationship with the GLA in order to maximise funding opportunities.
- Adjust delivery programmes, where appropriate, to respond to the market cycle: Delivery programme milestones are regularly reviewed and refreshed as part of monthly monitoring.
- Financial Risks are included in each Regeneration Officer Board reports (this occurs on a 6 weekly basis).
- Review for a possible need to adjust the tenure mix (a possible mitigation to viability challenges): Tenure mix is reviewed as part of the annual business planning process.

Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0012	<p>Significant Governance or Control Failure - Further work needs to be undertaken to develop a comprehensive, auditable and objective assurance process to give reassurance that the Governance framework is understood and embedded within the organisation. Particular emphasis should be given to ensuring that any change in the governance framework is known and addressed and that new personnel are equipped with the correct knowledge and understanding.</p> <ul style="list-style-type: none"> • Cultural failings, poor leadership and ineffective policies and procedures. • Increasing financial pressures, reduced staffing capacity and loss of skills, knowledge and experience • Increase in commercial activity in local government, accompanied by greater complexity in local delivery and funding arrangements. • Strategic objectives are not achieved. • Greater risk of financial loss when governance is poor. • Leadership failings result in inadequate judgement grading on regulated services. 	March 2023	3	4	12	
Mitigation Action Plan						
<ul style="list-style-type: none"> - Governance and Assurance Board (GAB) continues to operate with regular review of Significant Governance Issues (SGIs) as reported in the Annual Governance Statement. Regular monthly meetings, good attendance by appropriate officers or delegates. - Review of Directorate Assurance Statements to inform assurance opinion, Internal Audit Plan, Significant Governance Issues and the Corporate Risk Register. - Annual Governance Statement is reviewed following the Delivering Good Governance in Local Government CIPFA/SOLACE Framework. - Whistle-blowing procedures have improved and subject to regular review. - Internal Audit regime was revised to reflect the new circumstances of working virtually and flexibly to meet the emerging risks. Audit Plan is regularly reviewed and adapted to address arising issues/risks. This is now embedded as part of the audit planning process. - Internal challenge continues through audit process including; follow up process for all Limited Assurance reports, monitoring and follow up of all High and Medium Risk recommendations and escalation of Limited assurance reports through Governance and Assurance Board, Themed Board and Audit Committee, flexible plan to adjust priorities for emerging risks. - A cross party constitutional working group (including officers) is currently up and running and is systematically reviewing various sections of the constitution to ensure it is fit for purpose. 						


Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0014	<p>Workforce</p> <p>There is a risk that the current work stream demands across the Council result in pressure being placed on resources. This risk also recognises challenges around recruitment and retention of staff and maintaining skills, knowledge and capabilities.</p> <ul style="list-style-type: none"> • This could lead to the Council struggling to meet changes in demand for services. • There could be a loss of experienced staff due to sickness as well as staff leaving for other jobs (given the rising cost of living), with a subsequent impact on service delivery. • National Pay negotiations will have a financial impact. 	March 2023	3	4	12	
Mitigation Action Plan						
<ul style="list-style-type: none"> - Target Operating Model is reviewing the organisation structures to support the Corporate Plan objectives. - Implementation of a new Workforce Strategy: Has now been approved by cabinet and will cover the period until 2024. Phased approach over these two years. - Actions from this strategy are designed to ensure that the Council remains an attractive place to work and remains competitive. - Outcomes and actions from the results of the staff engagement survey. - Revised policies and procedures are being revised and rolled out. These are subject to regular review and update to reflect the latest position. - Promotion and monitoring of staff wellbeing. - Monitor staff turnover/reasons for leaving through exit interview analysis and respond as appropriate in line with policy (redesigning roles/recruitment/market supplements etc.). - Work underway to review workforce trends and hotspots and implement solutions as appropriate. - Development of grow our own workforce strategies in Social care. 						


Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0006	<p>Potential harm to people we owe a duty of care</p> <ul style="list-style-type: none"> • Social care fails in its duty of care, particularly to the vulnerable in society (as a result of workforce challenges - recruitment and retention of experienced and qualified staff - increased hospital attendances / more complex case work etc.) resulting in avoidable harm to a vulnerable adult or child. • Adult social care and Council fails in its duty of care, particularly to the vulnerable in society, and a service user is harmed or dies as a result of those failures. This includes illegal deprivation of liberty of users of services, where the appropriate Deprivation of Liberty Safeguard is not in place. • Children’s Social Care fails in its duty of care to children and a child is harmed or dies as a result of those failures. • Cost of living crisis leading to increased risks of homelessness, domestic violence and crime 	October 2022	4	3	12	
Mitigation Action Plan						
<ul style="list-style-type: none"> - The ASC/JCU service operates Quality Team processes to review standards of care including contract monitoring carried out against framework providers and residential providers in the borough. - A Quality Assurance Framework provides a risk based approach to the care market. - Transparent and robust Guidance for Suspension of Placements with adults providers - Strong links with CQC with early notification of problems with providers. - Service attendance at the Adults Quality and Safeguarding Board with the CQC as well as HealthWatch. - Safeguarding Adults Team reviews investigations following patterns emerging from a provider that suggests systemic concerns. - Robust Adults ‘Establishment Concerns & Failure’ Procedure & Guidance - Sharing of information and intelligence with other Local Authorities at the Local Adults Quality and Safeguarding Group (meets monthly). - Appropriate and effective safeguarding processes and arrangements in place for children and adults. - Children’s Services benchmarking through the London Innovation and Improvement Alliance performance dataset to highlight trends and required improvements - Training in Multi-Agency Safeguarding Hub to ensure appropriately triage safeguarding enquiries against the criteria. - Regular Safeguarding and Oversight meeting chaired by AD Adult Safeguarding and AD Children Services . 						

- Safeguarding Policies and Guidance are reviewed and updated.
- Staff are appropriately supervised to be able to carry out their roles to a high standard.
- Robust Quality Assurance Framework and learning through Rapid reviews and learning dissemination in Children’s Services.

Mitigation Action Plan (continued)

- Safeguarding Adults Board (SAB) and Local Safeguarding Partnerships (for children) in place with opportunities for Chair(s) to escalate any areas of concern.
- Robust and well communicated process in place to forward specific cases to the Community and Domestic Violence Multi Agency Risk Assessment Conferences (MARAC) to ensure partnership approach where required.
- Safeguarding Adult Team attend Team Meetings to provide relevant updates around key topics such as Mental Capacity Act (MCA) or Domestic Violence (DV).
- Training for adult residential and nursing homes and develop the safeguarding support provided to them to ensure they fully understand their roles and responsibilities in relation to safeguarding.
- Adults and Children’s Social Care Resilience Business case to address staffing pressures.
- Broad range of targeted training available to social care staff and managers to ensure all are properly equipped.
- Regular Review of Safeguarding caseloads across teams.
- Monitoring of demand via referrals to Multi-Agency Safeguarding Hub (MASH).
- Recruitment process underway for Social Workers in Havering.
- Involvement in the LIA Recruitment microsite and London Pledge work
- Monitoring and continuation of early help and intervention work where possible, in line with model of practice.
- Council’s cost of living response to mitigate financial pressures on residents, including administering national and local schemes for financial support, responding to new referrals relating to risks of homelessness (and to mitigate against increases in domestic violence etc), and building energy resilience (such as our energy doctor scheme).


Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0013	<p><u>Failure to deliver strategic corporate priorities</u></p> <p>The budget pressures combined with unprecedented levels of demand (e.g. for children's and adults services), may have an impact on the ability to deliver corporate priorities in line with residents demand and perception.</p> <ul style="list-style-type: none"> • Council priorities are not met leading to dissatisfaction from residents. • There is a risk that a breakdown in the Council relationship with residents could lead to a lack of trust and engagement, poor communication, non-delivery of objectives; and, failure to meet expectations. Risk that a loss of trust occurs if complaints and Member's Enquiries handled poorly or in an untimely manner. 	March 2023	4	3	12	
Mitigation Action Plan						
<ul style="list-style-type: none"> - Corporate plan with established priorities supports delivery of key programmes and is monitored regularly. - The Council will ensure regular engagement, consultation and increased participation in the planning of services and provision of insight into residents' lived experience. - Programmes such as local area coordination and community hubs are designed specifically to build stronger relationships with residents. Council-run campaigns - run either solely and directly or in partnership (such as the #BeNiceToYourNoggin campaign) raise awareness about community issues and communicates what the Council is doing to support residents. 						

Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
<p>HAV0007</p> <p>AMENDED</p>	<p><u>Failure to adapt to the potential impacts of climate change</u></p> <p>The causes of climate change are set out in the modelling of impacts of a warming planet. The Council response to these impacts has not been adequately addressed.</p> <p>Effects include:</p> <ul style="list-style-type: none"> • Flash flooding – pluvial (rain): Localised, severe impacts, Road network impacted • Fluvial flooding – (Main water Courses) Damage to property and infrastructure • Increased storminess – Damage to the built environment and individuals • Heatwaves: Increased risk of fires and damage to infrastructure, Reduction in summer water • Climate forced immigration • Risk of invasive species becoming more prevalent. • Health of residents adversely impacted 	<p>March 2023</p>	<p>4</p>	<p>3</p>	<p>12</p>	<p style="text-align: center;"></p>
<p>Mitigation Action Plan</p>						
<ul style="list-style-type: none"> - Havering Climate Change Action Plan: The impacts of climate change are incorporated in the Havering Climate Change Action Plan (HCCAP) and are specifically addressed in the Council governance - Inclusion in Business Continuity and Emergency Plans: The Council’s response is contained within the Business Continuity Plans of services and is regularly reviewed. 						

Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
<p>HAV00020</p> <p>NEW</p>	<p><u>Technology: ICT Resilience – The Council’s ability to deliver critical and key services in the event of ICT outages and be able to recover in the event of system and/or data loss.</u></p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> - Poor Business Continuity (BCP) planning and understanding of key system architecture. - Untested Disaster Recovery (DR) arrangements including data recovery. - Untested network reconfiguration to alleviate key location outage. - Untested recovery schedules in terms of order and instructions. - Lack of resilience available for legacy systems (single points of failure - people and technology). - Services undertaking their own IT arrangements outside of the corporate approach - Poor data management can lead to delays in recovery timescales if retained data volumes are excessive, and critical and non-critical data are combined in back-ups - Impact of the ICT Shared Tenancy arrangements 	<p>March 2023</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>n/a</p>
<p>Mitigation Action Plan</p>						
<p><u>ICT Resilience</u></p> <ul style="list-style-type: none"> - A replacement IT backup solution for systems managed via the oneSource IT service has been procured and implemented, significantly improving DR capabilities. - Vendor Contracts: It should be noted that this will only cover systems that are hosted on IT-managed infrastructure. The DR arrangements for other systems will be the responsibility of the System Owners and the contracts with the vendors, and is being addressed via the BCP work within the Transformation Team. - Review of Disaster Recovery capabilities: Additional review of DR capability has been undertaken as part of the assurance in the event of rolling power outages by postcode during winter 2023. - Disaster recovery testing: DR testing to be scheduled during Q1 2023/24, as part of wider review of capabilities post Transformation Project delivery. - Recruitment of Records Management Lead: Records Management Lead to be recruited in 2023/24 financial year to lead on data assessment for GDPR compliance and also to seek to reduce excessive data storage. 						

- Backup systems for client case recording systems – Liquid Logic LAS, LCS and EHM						
Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV00021 NEW	<u>Technology: Legacy Systems</u> Sovereignty of service areas and a reluctance to change IT systems (or lack of investment budgets) can lead to systems being in place which are incompatible with modern IT controls, leading to sub-optimal workarounds being put into place to maintain operational running.	March 2023	3	3	9	n/a
Mitigation Action Plan						
<ul style="list-style-type: none"> - The Applications Audit undertaken by the Transformation Team has started to provide high-level outputs to identify system owners and risks, but the data needs to be verified and further information sought where risks are perceived. - The revised Digital Strategy is to inform an Enterprise Architecture approach will provision the standards for existing, and future, solutions to be assessed against. Where approaches are not aligned to the standards, remedial activity can be identified and scheduled, with a known owner. - Application Rationalisation approach being considered, moving away from niche systems to corporate-wide systems, with niche functionality provided using standard tooling – all maintainable and reducing costs, whilst improving GDPR/Cyber considerations 						

Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
<p>HAV00018</p> <p>NEW</p>	<p>Technology: Information Security Policies and Risk Management</p> <p>There is a risk that if the council does not have an Information Security Management System then it will not be able to effectively manage Information Security risks.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> - Ineffective Information Security Management System, inadequate resources to create and maintain an ISMS, management buy-in and support to operate an ISMS. Lack of formal approach to risk management (ISO27001). 	<p>March 2023</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>n/a</p>
<p>Mitigation Action Plan</p>						
<p><u>ICT Resilience</u></p> <ul style="list-style-type: none"> - Information Governance Board Oversight: The Information Governance Board continues to provide oversight of Information Assurance and acts as an escalation point to the SIRO. - A review/update of all policies, including developing any that are missing is continuing through an external contracted resource. First outputs shared with the IG Board in January 2023. - A revised training system with an improved ability to track compliance has been released to staff, alongside Phishing simulations. - Significant capacity issues within the Information Assurance team and a lack of wider skills within the team remain to be addressed. - Lack of Information Asset Registers and Information Asset Owners within the Service Areas/Directorates continues – hence an over-reliance on Information Assurance colleagues. Following other priority action being completed, this will now be reviewed by the IG Board. 						

Risk Ref.	Risk Title and Description	Last updated	Impact	Likelihood	Current Status (R/A/G)	Direction of Travel
HAV0002	<p>Major system, supplier, external infrastructure failure or natural disaster</p> <ul style="list-style-type: none"> • Lack of effective business continuity plans / emergency planning and poor defences in places (e.g. severe weather, flooding, pandemic etc.). • Business Continuity (BC) and Councils Service Resilience in the event of an IT Outage - If the council has a Business Continuity disruption and is unable to ensure the resilience of key Council operations and business activities, then the impact of the event maybe increased with a greater impact on people/services. • Unavailability of IT and/or Telecoms, including from cyber attack • Instability of the social care market due to problems with financial sustainability, workforce capacity and recruitment means that the Council are unable to commission care and support services for vulnerable residents. • Capacity issues within the provider market sector (linked to recruitment and retention) could lead to an inability to meet demand for services. • Cost of care in residential homes is incompatible with the Council’s rate leading to an unstable market and residential care home refusing to take clients. 	March 2023	3	2	6	
Mitigation Action Plan						
<ul style="list-style-type: none"> - Due diligence in advance of contract awards. - Major emergency plan in place within organisation to mitigate the initial impacts of these types of events. - Corporate Business Continuity Plan and individual service area Business Continuity Plans held and updated by services. - Corporate Business Continuity Plan outlines critical service for initial priorities with included service time scales. - Individual incident plans for specific scenario for example, Multi-agency flood plan, Excess Deaths Plan, Severe Weather, etc. - Regular updates of plans and testing and exercising associated risks. - Corporate Risk Register linked to the London Risk register on relating risks, for example; societal associated risks. - Work with Care Providers Voice, workforce professionals and other partners to develop and implement a workforce development plan and training offer to support retention and development of existing staff and attract new staff to the care sector. - Regular review of market rates, in consultation with local providers and uplifts applied as appropriate to support the market and ensure suitable rates are offered and passed on to workforce. - Monitoring of the reablement contract and development of agreement with CCG for long term joint funding arrangements and increasing capacity to ensure a sustainable service that will meet future need. 						

AUDIT WORK PROGRAMME 2022/23
Reports will be added to SharePoint for approval

Meeting	Agenda Item	Lead officer	Reports Deadline
24 January 2023	Accounts Update <ul style="list-style-type: none"> • overdue accounts update 	Dave McNamara	
24 January 2023	<p><u>Wholly Owned Companies</u> Mercury Land Holdings Limited Mercury Land Holdings Limited - 09878652</p> <p>Mercury Designs & Build Ltd Mercury designs & build Limited - 10515344</p> <p>Both registered addresses Town Hall, Main Road, Romford</p> <p>Officers involved to attend and explain the benefit to Havering , their business plan</p> <p>We also request for the figures since inception to be given November 2015 & December 2016 prior to the meeting</p>	Paul Walker	
24 January 2023	Assurance Progress Report		
	Committee Grants <ul style="list-style-type: none"> • To ask officers to provide a list of all the local 		

	<p>community groups who receive a Grant</p> <ul style="list-style-type: none"> • How Much • How Often 		
	<p>Children's Services</p> <ul style="list-style-type: none"> • School Buildings • Their Finance • Anything else 		
	<p>External Audit</p> <ul style="list-style-type: none"> • Risks and Pensions 		
	<p>Invoice Payments into Budgets</p> <ul style="list-style-type: none"> • Are all invoice payments by external people made into a specific budget then distributed to the correct budget? 		
18 April 2023	Head of Assurance Annual Opinion; incorporating Internal Audit Plan 2022/23 Final Outturn		
18 April 2023	Draft Internal Audit Plan 2023/24		
18 April 2023	Draft Annual Governance Statement 2022/23		