



AUDIT COMMITTEE

TUESDAY, 6 JULY 2021

10.00 am COUNCIL CHAMBER, COUNTY HALL, LEWES

++ PLEASE NOTE, THIS MEETING IS BEING HELD IN PERSON ++

MEMBERSHIP - Councillor Colin Swansborough (Chair)
Councillors Matthew Beaver, Gerard Fox (Vice Chair), Nuala Geary,
Stephen Holt, Matthew Milligan and Georgia Taylor

A G E N D A

- 1 Minutes of the previous meeting held on 26 March 2021 (*Pages 3 - 8*)
- 2 Apologies for absence
- 3 Disclosures of interests
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
- 5 Internal Audit Annual Report and Opinion 2020/21 (*Pages 9 - 38*)
Report by the Chief Internal Auditor
- 6 Assessment of the Corporate Governance Framework and Annual Governance Statement for 2020/21 (*Pages 39 - 60*)
Report by the Assistant Chief Executive
- 7 Strategic Risk Monitoring 2020/21 - Q4 (01.01.21 - 31.03.21) (*Pages 61 - 68*)
Report by the Chief Operating Officer
- 8 Work programme (*Pages 69 - 72*)
- 9 Any other items previously notified under agenda item 4

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28 June 2021

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Agenda Item 1

AUDIT COMMITTEE

MINUTES of a meeting of the Audit Committee held at Committee Room, County Hall, Lewes on 26 March 2021.

++ The Committee Members were not present in person but took the decisions remotely ++

PRESENT Councillors Colin Swansborough (Chair) Councillors Gerard Fox (Vice Chair), Matthew Beaver, Martin Clarke, Philip Daniel, Michael Ensor and Daniel Shing

LEAD MEMBERS Councillors Nick Bennett and Sylvia Tidy

ALSO PRESENT

Phil Hall, Chief Operating Officer
Ian Gutsell, Chief Finance Officer
Russell Banks, Chief Internal Auditor
Nigel Chilcott, Audit Manager

Andy Conlan, Grant Thornton
Darren Wells, Grant Thornton

33 MINUTES OF THE PREVIOUS MEETING HELD ON 6 NOVEMBER 2020

33.1 The Committee RESOLVED to approve the minutes as a correct record of the meeting held on 6 November 2020.

34 DISCLOSURES OF INTERESTS

34.1 Councillor Matthew Beaver declared a personal interest in the matters on the agenda as a family member is a Senior Finance Officer for the County Council, but he did not consider this to be prejudicial.

35 REPORTS

35.1 Reports referred to in the minutes below are contained in the minute book.

36 EXTERNAL AUDIT PLAN 2020/21

36.1 The Committee considered a report by the Chief Finance Officer which presented the External Audit Plan of Grant Thornton in relation to their audit of the 2020/21 accounts.

36.2 The Committee discussed: the impact of the pandemic and how to assess it; the pension fund liability; changes to the Value for Money judgement; the triviality level of £700,000; PFI; methods and models used to generate accounting estimates.

36.3 The External Auditors confirmed that ESCC would be benchmarked against other public sector entities in assessing the response to the pandemic, and that a suite of tools is available

to help with that assessment. In respect of the Pension Fund liability, the key audit risk is whether the liability as stated in the accounts is materially correct. GT have external pensions experts who assist with that assessment.

36.4 Darren Wells and Andy Conlan explained the background to the amended approach to the Value for Money judgement, which will provide a narrative judgement rather than a binary qualified or unqualified verdict. The change is the product of a consultation by the National Audit Office. Members expressed a desire to see the consultation and the NAO response. The External Auditors set out that the report, when presented in September, will cover areas of strength of the authority, together with potential improvements, which it was hoped would add value from the audit process.

36.5 The level of triviality for errors to be reported to the Committee is set by reference to the materiality calculation of 1.5% of prior year gross expenditure and as a percentage of materiality. The level is broadly used across the sector, and the Council has operating costs of £896 million. Smaller errors are still recorded, but not individually reported to the Committee. In respect of PFI, the calculation is an estimate of the liability which is subject to a complex set of assumptions (including inflation and waste volumes). The External Auditor's role is to see if the assumptions are materially correct.

36.6 In respect of the models and assumptions used, the expectation of the External Auditors is for the Committee to rely on the assurances of the Finance Team and Chief Officers rather than undertaking analysis of the models. It was suggested that the Committee be presented with a report on what the key estimates are, and the basis of the key assumptions and methods used to produce these.

36.7 The Chief Finance Officer confirmed that ESCC had appointed a new valuer in respect of Property Plant and Equipment, and was undertaking a 100% assessment exercise, which will re-base the estimate underlying the accounting assumptions. A new actuary has also been appointed in respect of the Pension Fund, and the option to defer production of the pensions statement has been taken up, to allow for the most accurate figures attainable to be used. The timescales, even with the September deadline for final reporting, remain tight.

36.8 The Committee RESOLVED to note the report.

[Post meeting note – the National Audit Office consultation response was circulated by email to the Committee by the Chief Finance Officer – see minute 36.4]

37 EXTERNAL AUDIT PLAN FOR THE EAST SUSSEX PENSION FUND 2020/21

37.1 The Committee considered a report by the Chief Finance Officer which presented the External Audit Plan of Grant Thornton in relation to their audit of the East Sussex Pension Fund for 2020/21.

37.2 The Committee RESOLVED to note the report.

38 ANNUAL AUDIT LETTER - 2019/20

38.1 The Committee considered a report by the Chief Finance Officer which presented the Annual Audit Letter for 2019/20 and marked the completion of the audit process.

38.2 It was confirmed that the IT issue concerning submission of the Whole of Government Accounts (WGA) had been resolved, and that final notification would be communicated to the Committee via the Chief Finance Officer.

38.3 In respect of the Value for Money recommendations the authority's response would be assessed during the fieldwork stage of the audit, and reported on in September. The Chief Finance Officer confirmed that the alignment of resources to strategic priorities was communicated regularly to Cabinet through the RPPR reports.

38.4 The Committee RESOLVED to note the report.

39 INTERNAL AUDIT PROGRESS REPORT - QUARTER 3 (01/10/20 - 31/12/20)

39.1 The Committee considered a report by the Chief Internal Auditor which set out the Internal Audit team's work during Quarter 3.

39.2 The Committee discussed the MBOS reprourement project. The Chief Operating Officer confirmed that three proposals in response to the tender were being analysed and a decision would be taken in late Spring. Surrey County Council is also undertaking a reprourement, which has generated a high degree of collaborative work, but which may result in two separate systems, depending on the specific needs of the sovereign partners. The project is part of the Internal Audit team's scheduled work for Q4 and will be reported to the next meeting. More widely, the risk profile and mitigations to address business continuity during the implementation stage will also be addressed.

39.3 The Committee RESOLVED to (1) note the report; and

(2) thank the Internal Audit team for their work during the pandemic.

40 INTERNAL AUDIT STRATEGY AND 2021/22 ANNUAL AUDIT PLAN

40.1 The Committee considered a report by the Chief Internal Auditor which set out the Internal Audit (IA) team's Strategy and Plan for the 2021/22 financial year.

40.2 The Committee discussed: monitoring the efficiency of the IA Team; changes to the recruitment landscape; contract management and cultural compliance.

40.3 The Chief Internal Auditor set out that all IA staff time record against case files, and have performance targets related to that activity. The number of Audit Days available, which have increased by 145 thanks to efficiency gains, does not include time allocated to staff training, so staff are able to continue their professional development. The Chief Internal Auditor confirmed that specialist external support is still sought where appropriate and is budgeted for.

40.4 The Chief Internal Auditor confirmed that the team has been successful in addressing previous recruitment issues, partly as a result of the pandemic and increased flexibility in working arrangements. Two new principal auditors have been recruited, a level that had previously been hard to recruit to. The pandemic has made induction and training of new starters, especially into entry-level positions, a challenge, but is manageable.

40.5 The Committee welcomed the focus on contract management and the potential to develop further the transparency initiatives. In respect of cultural compliance, the Chief Internal Auditor explained that it referred to a department's adherence to corporate procedures such as expenses, leave arrangements, appraisals and the code of conduct.

40.6 The Committee RESOLVED to endorse the Internal Audit Strategy, the Annual Plan for 2021/22 and the Internal Audit Charter.

41 THE GOVERNMENT RESPONSE TO THE REDMOND REVIEW: LOCAL AUTHORITY FINANCIAL REPORTING AND EXTERNAL AUDIT

41.1 The Committee considered a report by the Chief Finance Officer, which presented the Ministry of Housing, Communities and Local Government's interim response to the Redmond Report.

41.2 The Committee discussed the value of the appointment of an independent member of the Audit Committee (as per Recommendation 4), noting the precedent set by such an appointment to the Pension Committee of an independent advisor.

41.3 The Committee RESOLVED to note the report, and that a report on the full response will be presented to the Committee in due course.

42 STRATEGIC RISK MONITORING - QUARTER 3 2020/21

42.1 The Committee considered a report by the Chief Operating Officer.

42.2 The Committee discussed:

- Risk 12 – Cyber Attack – The Committee asked about the impact of increased home working, caused by the pandemic, on cyber security. The Chief Operating Officer set out that staff working at home did so on ESCC devices with the usual suite of security features, and that certain platforms to support collaborative working were encouraged over others. The Audit Manager informed the Committee that an audit was currently in progress on this topic, and would be reported to a future meeting.
- Risk 14 – Post European Union (EU) transition – The Committee commented on the Red rating of the risk and suggested that this could be downgraded. The Chief Operating Officer set out that the Register reflected the position as at December, and so was likely to be adjusted in Q4.
- General presentation of the Register – The Committee commented on the infrequency with which the risks change rating and the nature of the Red Amber Green (RAG) options, and suggested that a more graduated scale or heat map might be more useful in terms of presentation. The Chief Operating Officer set out the calculations of likelihood and impact that generated the RAG rating. He agreed to investigate alternative methods of presenting the information, together with pre- and post-mitigation scores.

42.3 The Committee RESOLVED to note the report.

43 WORK PROGRAMME

43.1 The Committee considered the Work Programme. The Chief Operating Officer informed the Committee that Surrey County Council were not currently pursuing unitary authority status.

43.2 RESOLVED:

- (1) To remove the item on the potential Impact of Surrey County Council becoming a unitary authority from the list of potential items; and
- (2) To note the revised Audit Committee date in July and the rest of the Programme.

43.3 The Chair thanked Members of the Committee and officers for their contributions over the past four years. Members of the Committee thanked Councillor Colin Swansborough for his work as the Chair of the Committee.

The meeting ended at 12.00 pm.

Councillor Colin Swansborough (Chair)

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Report to: **Audit Committee**

Date: **6 July 2021**

By: **Orbis Chief Internal Auditor, Business Services Department**

Title of report: **Internal Audit Annual Report and Opinion 2020/21**

Purpose of report: **To give an opinion on the County Council's control environment for the year from 1 April 2020 to 31 March 2021**

RECOMMENDATIONS

Members are recommended to:

- 1. note the Internal Audit Service's opinion on the Council's control environment;**
 - 2. consider whether there are any significant control issues that should be included in the Council's Annual Governance Statement for 2020/21;**
 - 3. consider whether the Council's system for internal audit has proved effective during 2020/21.**
-

1. Background

1.1 The purpose of this report is to give an opinion on the adequacy of East Sussex County Council's control environment as a contribution to the proper, economic, efficient and effective use of resources. The report covers the audit work completed in the year from 1 April 2020 to 31 March 2021 in accordance with the Internal Audit Strategy for 2020/21.

2. Supporting Information

2.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities 'must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. Annually, the Chief Internal Auditor is required to provide an overall opinion on the Council's internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement.

2.2 It is a management responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and outcomes achieved.

2.3 No assurance can ever be absolute; however, based on the internal audit work completed, the Chief Internal Auditor can provide reasonable assurance that East Sussex County Council has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2020 to 31 March 2021.

2.4 This opinion, and the evidence that underpins it, is further explained in the full Internal Audit Service's Annual Report and Opinion which forms Annexe A of this report. The report highlights:

- Key issues for the year, including a summary of all audit opinions provided;
- Key financial systems;
- Other internal audit activity; and
- Anti-fraud and corruption.

2.5 As highlighted in the report, the impact of Covid 19 has made 2020/21 a unique year for Internal Audit, as was the case for the services we have audited. This has meant that we have had to adapt our working practices, reschedule audits and make a much great number of amendments to the year's audit plan than would normally be the case. The significant changes to our workplan meant that it was necessary to produce a revised audit plan part way through the year.

2.6 A summary of the major findings from audit reviews completed during quarter 4 of 2020/2021 is included in Annexe B (major findings from previous quarters have already been reported).

2.7 Finally, Section 6 of the annual report sets out details of internal audit performance for the year, including details of compliance against the relevant professional standards.

3. Conclusions and Reasons for Recommendation

3.1 Audit Committee is recommended to note the Internal Audit Service's opinion on the Council's control environment, consider whether there are any significant issues that should be included in the Council's annual governance statement for 2020/21 and consider whether the Council's system for internal audit has proved effective. Cabinet will be recommended to note the Internal Audit Service's opinion on the Council's control environment at its meeting on 13 July 2021.

PHIL HALL, CHIEF OPERATING OFFICER

Contact Officers: Russell Banks, Orbis Chief Internal Auditor
Nigel Chilcott, Audit Manager

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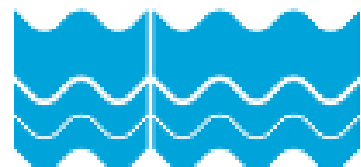
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BACKGROUND DOCUMENTS

Internal Audit Strategy and Annual Audit Plan 2020/21

INTERNAL AUDIT ANNUAL REPORT & OPINION 2020/2021

East Sussex
County Council



1. Internal Control and the Role of Internal Audit

1.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The full role and scope of the Council's Internal Audit Service is set out within our Internal Audit Charter.

1.2 It is a management responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and outcomes achieved.

1.3 Annually, the Chief Internal Auditor is required to provide an overall opinion on the Council's internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement.

2. Delivery of the Internal Audit Plan

2.1 The Council's Internal Audit Strategy and Plan is updated each year based on a combination of management's assessment of risk (including that set out within the departmental and strategic risk registers) and our own risk assessment of the Council's major systems and other auditable areas. The process of producing the plan involves extensive consultation with a range of stakeholders to ensure that their views on risks and current issues, within individual departments and corporately, are identified and considered.

2.2 The impact of Covid 19 has made 2020/21 a unique year for Internal Audit, as was the case for the services we have audited. This has meant that we have had to adapt our working practices, reschedule audits and make a much greater number of amendments to the year's audit plan than would normally be the case.

2.3 The significant changes to our workplan meant that it was necessary to produce a revised audit plan part way through the year. This was agreed by Audit Committee in November 2020 and replaced the Internal Audit Plan that had been approved in May 2020.

2.4 In addition, Orbis Internal Audit redeployed some of its resources during the year to support the Covid 19 response and recovery workstreams across the Council. This work has been detailed in our quarterly update reports but is also summarised below.

2.5 During 2020/21, we have seen a substantial increase in the number of government grants that need to be certified by Internal Audit, all of which are specific to supporting the County Council through the pandemic. In addition, significant resources have been directed to providing advice and support on system changes (to support remote working) and data analytics to identify any issues arising from new ways of working.

2.6 Notwithstanding the above, we have still been able to deliver sufficient audit and assurance activity within the year to enable us to form an overall annual audit opinion for the Council in the normal way. This includes delivery of the revised programme of audits and investigating any allegations of fraud and other irregularities.

2.7 All adjustments to the audit plan were agreed with the relevant departments and reported throughout the year to Audit Committee as part of our periodic internal audit progress reports. It should be noted that whilst there were some audit reports still in draft at the year-end, the outcomes from this work have been taken into account in forming our annual opinion. Full details of these audits will be reported to Audit Committee once each of the reports have been finalised with management.

3. Audit Opinion

3.1 No assurance can ever be absolute; however, based on the internal audit work completed, the Chief Internal Auditor can provide reasonable¹assurance that the Council has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2020 to 31 March 2021.

3.2 Further information on the basis of this opinion is provided below. Overall, whilst the majority of audit opinions issued in the year were generally positive, internal audit activities have identified some areas where the operation of internal controls has not been fully effective, as reflected by one minimal assurance opinion and the small number of partial assurance opinions issued in the year.

3.3 Where improvements in controls are required as a result of any of our work, we have agreed appropriate remedial action with management.

4. Basis of Opinion

4.1 The opinion and the level of assurance given takes into account:

- All audit work completed during 2020/21, planned and unplanned;
- Follow up of actions from previous audits;
- Management's response to the findings and recommendations;
- Ongoing advice and liaison with management, including regular attendance by the Chief Internal Auditor and Audit Managers at organisational meetings relating to risk, governance and internal control matters;
- Effects of significant changes in the Council's systems;
- The extent of resources available to deliver the audit plan; and
- Quality of the internal audit service's performance.

4.2 No limitations have been placed on the scope of Internal Audit during 2020/21, however, as explained above, Covid 19 and remote working have impacted on how our work was delivered, with a number of specific audits having to be rescheduled or in some cases, replaced with other activities.

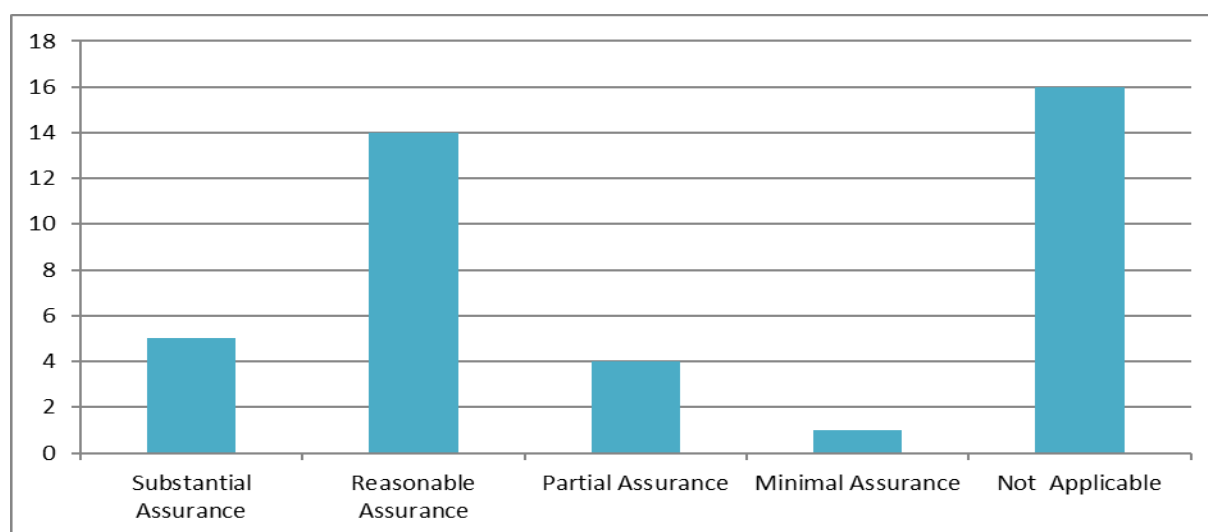
¹ This opinion is based on the activities set out in the paragraphs below. It is therefore important to emphasise that it is not possible or practicable to audit all activities of the Council within a single year.

5. Key Internal Audit Issues for 2020/21

5.1 The overall audit opinion should be read in conjunction with the key issues set out in the following paragraphs. These issues, and the overall opinion, have been taken into account when preparing and approving the Council's Annual Governance Statement.

5.2 The internal audit plan is delivered each year through a combination of formal reviews with standard audit opinions, direct support for projects and new system initiatives, investigations, grant audits and ad hoc advice. The following graphs provide a summary of the outcomes from all audits finalised during 2020/21:

Audit Opinions



*Not applicable: Includes grant certifications and audit reports where we did not give a specific audit opinion. Typically, this tends to be proactive advice and support activity where, due to the advisory nature of the audit work, provision of formal assurance-based opinions is not appropriate.

5.3 A full listing of all completed audits and opinions for the year is included at Appendix B, along with an explanation of each of the assurance levels. During 2020/21, there was one audit, relating to the Commissioning and Delivery of Property Projects, where we concluded an audit opinion of minimal assurance. In completing this work, we identified areas that required significant improvement, including ensuring roles and responsibilities over project management are clearly defined, a robust project management framework is followed, key project documentation is used to support delivery, and engagement, communication and collaboration between departments is enhanced. Further detail on the findings of this review can be found in Annexe B.

5.4 In addition to the above, a total of 4 audits received partial assurance opinions within the year as follows:

- Direct Payments;
- Libraries Asset Management;
- Contract Management Group Cultural Compliance; and
- MBOS Programme Governance and Risk Management Arrangements – Phase 2.

5.5 Whilst actions arising from these reviews will be followed up by Internal Audit, either through specific reviews or via established action tracking arrangements, it is important that management take prompt action to secure the necessary improvements in internal control.

Key Financial Systems

5.6 Given the substantial values involved, each year a significant proportion of our time is spent reviewing the Council's key financial systems, both corporate and departmental. Of those audits completed during 2020/21, all, apart from the audit of Direct Payments (see Appendix B) resulted in either substantial or reasonable assurance being provided over the control environment.

Other Internal Audit Activity

5.7 During 2020/21, Internal Audit has continued to provide advice, support and independent challenge to the organisation on risk, governance and internal control matters across a range of areas. These include:

- Property Asset Management System replacement;
- Managing Back Office Systems (MBOS) programme;
- Adult Social Care transformation;
- Digital postal hub; and
- Highways maintenance contract reprocurement.

And attendance at:

- Statutory Officers' Group;
- Orbis Leadership Team;
- Business Services (BS) Departmental Management Team;
- BSD Covid Response Group;
- BSD Business Partners Group;
- Finance Management Team; and
- Pension Board and Pension Committee.

5.8 As well as actively contributing to, and advising these groups, we utilise the intelligence gained from the discussions to inform our own current and future work programmes to help ensure our work continues to focus on the most important risk areas.

5.9 In addition, for 2020/21, we have provided significant advice and support on risk and control issues, especially where services looked to modify their ways of working in response to the pandemic. Many of these related to back-office, administrative functions, with some of these historically having a heavy reliance on paper-based processes. Our work has included:

- The redeployment of some of our team to support other services, particularly in relation to the sourcing and distribution of personal protective equipment (PPE);
- Reviewing and advising on controls in relation to the Department for Education laptop scheme;

- The provision of advice on risk and control issues associated with the implementation of an online claims process for staff to submit claims for mileage and travel;
- Advice on the Council's provision of support to its key providers in line with central government guidance;
- A review of the proposed system for delivering ICT equipment to new members of staff during lockdown;
- Reviewing alternative arrangements for the receipt and processing of cheque payments, the electronic receipt and subsequent processing of invoices from suppliers, and the approval of treasury management transactions by electronic means;
- Waivers to Procurement and Contract Standing Orders – consideration of alternative arrangements to help ensure the continued delivery of key services where contracts with providers were due to come to an end during Covid-19;
- Use of electronic signatures – reviewing arrangements for the increased and expanded use of electronic signatures for Council contracts;
- Data analytics on creditors data to help provide assurance that selected key controls within Procure to Pay processes across the Council were continuing to work effectively during the pandemic; and
- In light of the increased information governance risks associated with the significant numbers of staff working remotely, working with the Information Governance team to provide further guidance and advice for staff in this area.

Anti-Fraud and Corruption

5.10 During 2020/21, the Internal Audit Counter Fraud Team continued to deliver both reactive and proactive fraud services across the Orbis Partnership.

5.11 The team logged 18 allegations under the Council's Anti-Fraud and Corruption Strategy, with cases being identified through the Council's confidential reporting hotline or referrals from other departments. As a result of the allegations, 18 cases were taken forward to investigation by Internal Audit or support was provided to a management investigation.

5.12 The following provides a summary of the investigation activity undertaken by the Internal Audit Counter Fraud Team in the last 12 months:

- Following a referral from Adult Social Care, we provided the service with advice in relation to a potential salary overpayment for an employee. The employee had submitted pay claims for hours that were already included in their annual salary. The employee accepted a formal warning and the overpayment has been recovered;
- Following a whistleblowing, we investigated an allegation that an Adult Social Care provider continued to receive payment but did not deliver a service during the pandemic due to making staff redundant. The investigation found that there was no case to answer;
- Internal Audit investigated an allegation that an employee had breached access rules relating to the Department of Work and Pensions (DWP) system 'Searchlight'. Following the investigation, a formal warning was issued;
- Following receipt of a whistleblowing report alleging overcharging by a Highways subcontractor, we undertook a review of a sample of works to confirm that these complied with job specifications and cost schedules. The investigation found no case to answer;

- Advice was provided to a Sports Centre following a member of a sports club making a payment due to be paid to the Council to a fraudulent bank account. The matter was reported to Action Fraud;
- An investigation was carried out in relation to an anonymous allegation of misuse of a Council vehicle. The investigation reviewed the use of the vehicle and associated record keeping. The review did not identify any misconduct but did identify some control improvements to strengthen record keeping and compliance with corporate policy;
- Enquiries were made into an allegation of a potential contract breach in relation to Home to School Transport. The case was subsequently closed with no evidence of fraud found;
- Following initial enquiries into an allegation that an employee was abusing their position by accessing a colleague's email account, we concluded that there was insufficient evidence to progress to a full investigation;
- We have continued to provide advice and support to Adult Social Care on individual cases where concerns have been expressed over the potential deprivation of capital and misuse of personal budgets; and
- Nine investigations remain open at the time of writing this report.

5.13 Any internal control weaknesses identified during our investigation work are reported to management and actions for improvement are agreed. This work is also used to inform future internal audit activity.

5.14 As well as the investigation work referred to above, we continue to be proactive in the identification and prevention of potential fraud and corruption activity across the authority and in raising awareness amongst staff.

Priority	Progress to Date
Reactive Investigations	The Counter Fraud Team is responsible for assessing and evaluating fraud referrals received by each sovereign partner, and then leading on subsequent investigations. The team have implemented a coordinated approach to assessing and logging referrals and adopted consistent procedures for recording investigations. The team continue to work with sovereign audit teams to investigate allegations across the partnership.
NFI Exercise	Internal Audit have coordinated the recent submission of Council datasets to the biennial NFI exercise. The results from the data matching were provided to the Council on 31 January 2021 and we have been liaising with the relevant departments to ensure that flagged matches are investigated and actioned appropriately. Results from the exercise will be shared with the Audit Committee in future progress updates.
Counter Fraud Policies	We have reviewed the Counter Fraud Strategy to align with best practice and to ensure a robust and consistent approach to tackling fraud. This was approved by Audit Committee on 10 July 2020 and is available on the Council's intranet.

Priority	Progress to Date
Fraud Risk Assessments	Fraud risk assessments are regularly reviewed to ensure that the current fraud threat for the Council has been considered and appropriate mitigating actions identified. We have updated the risk assessment to include new and emerging threats as a result of the Covid 19 pandemic. This includes potential threats to payroll, staff frauds relating to home working and cyber frauds
Fraud Response Plans	The Fraud Response Plans take into consideration the results of the fraud risk assessments and emerging trends across the public sector in order to provide a proactive counter fraud programme. The Fraud Response Plan for 2020/21 included a pilot data analytics programme for key financial systems. The pilot is currently paused and will be reviewed. The Fraud Response Plans are being refreshed for 2021/22 and will set out the proactive work plan for Internal Audit.
Fraud Awareness	The team have published fraud bulletins raising awareness to emerging threats, in particular risks from the Covid 19 pandemic. These have been published on the intranet and shared with high risk service areas. In addition, the team continue to monitor intelligence alerts and work closely with neighbouring councils to share intelligence and best practice.

Amendments to the Audit Plan

5.15 In accordance with proper professional practice, the Internal Audit plan for the year was kept under regular review to ensure that the service continued to focus its resources in the highest priority areas based on an assessment of risk. As already noted, Covid 19 meant that for the first time, we found it necessary to revise and re-issue the audit plan part way through the year. This update was presented to, and approved at, the November 2020 Audit Committee. However, since then, a number of further additions and amendments have taken place, principally as a result of the most recent national lockdown. This includes the following additional audit activities:

- Pension Fund – Altair Implementation Data Governance;
- Robertsbridge SEN Capital Project;
- Building Security;
- MBOS Programme Governance and Risk Management Arrangements (Phase 2);
- Covid-19 Emergency Active Travel Grant;
- Travel Demand Management Grant; and
- Department for Transport – Local Transport Authority Covid-19 Bus Service Support Grant Restart (Revenue).

5.16 In order to allow this additional audit work to take place, the following audits have been removed or deferred from the audit plan and, where appropriate, were considered for inclusion in the 2021/22 audit plan, as part of the overall risk assessment completed during the annual audit planning process. These changes were made on the basis of risk prioritisation and/or as a result of developments within the service areas concerned requiring a rescheduling of audits:

- Adoption South East;
- Health and Safety;
- Children's Safeguarding Data Handling;
- LCS/Controcc;
- Buzz Active Follow Up;
- Libraries Asset Management Follow Up;
- Contract Management Group Cultural Compliance Follow Up;
- Building Condition Asset Management Follow Up;
- Social Value in Procurement Follow Up; and
- Atrium Follow Up.

6. Internal Audit Performance

6.1 Public Sector Internal Audit Standards (PSIAS) require the internal audit service to be reviewed annually against the Standards, supplemented with a full and independent external assessment at least every five years. The following paragraphs provide a summary of our performance during 2020/21, including the results of our first independent PSIAS assessment, an update on our Quality Assurance and Improvement Programme and the year end results against our agreed targets.

PSIAS

6.2 The Standards cover the following aspects of internal audit, all of which were independently assessed during 2018 by the South West Audit Partnership (SWAP) and subject to a refreshed self-assessment in 2020/21:

- Purpose, authority and responsibility;
- Independence and objectivity;
- Proficiency and due professional care;
- Quality assurance and improvement programme;
- Managing the internal audit activity;
- Nature of work;
- Engagement planning;
- Performing the engagement;
- Communicating results;
- Monitoring progress; and
- Communicating the acceptance of risks.

6.3 The results of the SWAP review and our latest self-assessment found a high level of conformance with the Standards with only a small number of minor areas for improvement. Work has taken place to address these issues, none of which were considered significant, and these are subject to ongoing monitoring as part of our quality assurance and improvement plan.

Key Service Targets

6.4 Performance against our previously agreed service targets is set out in Appendix A. Overall, client satisfaction levels remain high, demonstrated through the results of our post audit questionnaires, discussions with key stakeholders throughout the year and annual consultation meetings with Chief Officers.

6.5 Internal Audit will continue to liaise with the Council's external auditors (Grant Thornton) to ensure that the Council obtains maximum value from the combined audit resources available.

6.6 In addition to this annual summary, CMT and the Audit Committee will continue to receive performance information on Internal Audit throughout the year as part of our quarterly progress reports and corporate performance monitoring arrangements.

Internal Audit Performance Indicators 2020/21

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Quality	Annual Audit Plan agreed by Audit Committee	By end April	G	Approved by Audit Committee in May 2020 (March Audit Committee meeting was cancelled because of Covid-19)
	Annual Audit Report and Opinion	By end July	G	Approved by Audit Committee on 10 July 2020.
	Customer Satisfaction Levels	90% satisfied	G	100%
Productivity and Process Efficiency	Audit Plan – completion to draft report stage	90%	Not Applicable	During the COVID-19 pandemic, the audit plan was suspended to allow the Internal Audit Service to support the organisation's response. In addition, the audit plan was revised (approved by Audit Committee in November 2020). Given the continual changes during the year, this performance indicator has not been monitored.
Compliance with Professional Standards	Public Sector Internal Audit Standards	Conforms	G	<p>January 2018 – External assessment by the South West Audit Partnership gave an opinion of 'Generally Conforms' – the highest of three possible rankings.</p> <p>June 2020 – Internal self-assessment and internal quality review completed – no major areas of non-compliance.</p>

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
	Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act	Conforms	G	No evidence of non-compliance identified.
Outcome and degree of influence	Implementation of management actions agreed in response to audit findings	97% for high priority agreed actions	G	100%
Our staff	Professionally Qualified/Accredited	80%	G	94%

Summary of Opinions for Internal Audit Reports Issued During 2020/21

Substantial Assurance:*(Explanation of assurance levels provided at the bottom of this document)*

Audit Title	Department
Annual Governance Statement	GS
Property Asset Management System (PAMS) Replacement – Programme Governance and Risk Management	BSD
Business Operations Cultural Compliance Follow Up	BSD
Pension Fund Compliance with Regulatory Requirements	BSD
Accounts Receivable	BSD

Reasonable Assurance:

Audit Title	Department
Procure to Pay	BSD
Declarations of Interests, Gifts, Hospitality and Secondary Employment	Corporate
Powers of Entry Follow-Up	CET
Pension Fund Strategy and Investments	BSD
Payroll	BSD
Pension Fund Governance	BSD
Education, Health and Care Plans	CSD
Network Security	BSD
MBOS Programme Governance and Risk Management Arrangements – Phase 1	Corporate
Patch Management	BSD
Cloud Computing	BSD
Mobile Device Management	BSD
Cyber Security during Covid	BSD
PAMS Data Governance and Migration	BSD

Partial Assurance:

Audit Title	Department
Library Asset Management	CET
Cultural Compliance – Contracts Management Group	CET
Direct Payments	ASC
MBOS Programme Governance and Risk Management Arrangements – Phase 2	Corporate

Minimal Assurance:

Audit Title	Department
Commissioning and Delivery of Property Projects	BSD

Other Audit Activity Undertaken During 2020/21

Audit Title	Department
MBOS Requirements Catalogue	Corporate
Digital Postal Hub Control Environment Review	BSD
Troubled Families Grant Funding (quarterly)	CSD
Covid Response Work	Corporate
Data Analytics – Creditors	Corporate
Department for Transport Capital Grants	CET
Bus Services Operators Grant	CET
Covid 19 Bus Service Support Grant	CET
Blue Badge Grant	ASC
Pension Fund Altair Data Governance	BSD
Robertsbridge SEN Project	BSD
MBOS Advice and Support	BSD
PAMS Advice and Support	BSD
Department for Transport Local Transport Authority Covid 19 Restart Buse Service Support Restart Grant	CET
Highways Maintenance Contract Reprocurement	CET
Adult Social Care Transformation Programme	ASC

Audit Opinions and Definitions

Opinion	Definition
Substantial Assurance	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Partial Assurance	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

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Audits Completed in Q4 (December to March)

Pension Fund Governance 2020/21

1.1 East Sussex County Council (ESCC) administers and manages the East Sussex Pension Fund (the Fund) on behalf of 127 employers. The Fund is responsible for managing assets for the long-term benefit of scheme members in accordance with statutory regulations. The Pension Committee is responsible for making arrangements for the administration and investment of the Fund, receiving advice as appropriate from the Pension Board, which is a statutory requirement to assist the Scheme Manager (ESCC) in securing compliance with all relevant pensions' law, regulations and directions.

1.2 The purpose of this audit was to provide assurance that controls are in place to meet the following objectives:

- Governance arrangements are resilient and provide sufficient and effective oversight;
- Risk management arrangements are robust;
- Communication is efficient and effective; and
- Reporting arrangements ensure that poor performance is identified and corrected.

1.3 In completing this work, we were able to provide an audit opinion of **reasonable assurance**. We found that the Pension Board and Pension Committee meet regularly and have good oversight of the Fund. Adequate arrangements are in place for risk management with appropriate scrutiny of risks and mitigation measures. Both Board and Committee members undergo knowledge assessments and training to ensure that they possess sufficient knowledge to exercise adequate governance.

1.4 However, two minor opportunities for improvement were identified, i.e. to ensure that:

- The fund continues to work with the other members of the ACCESS Pool to strengthen its governance arrangements by finalising and implementing the Governance Manual and establishing a performance management process for fund managers; and
- Contact details for Pension Board representatives are published, so that members can contact their representative where required.

1.5 A formal action plan to address these areas was agreed with management.

Pension Fund - Altair Data Governance

1.6 Until recently, the administration of the Pension Fund has been managed through a collaboration with Surrey County Council as part of Orbis Business Operations. However, there is currently a project in place to disaggregate the Administration Team and bring East Sussex pension administration back in-house.

1.7 The current contract for the pension administration system, Altair, was due to expire in early 2021, and a new contract between the Pension Fund and Aquila Heywood was negotiated for the provision of Altair at a total cost of approximately £1.7m over five years, beginning April 2021.

1.8 Given the timescales involved in the project to transfer to the new system, with the original planned go-live on 1 April 2021, there was only limited time to provide audit advice and support into this. We therefore agreed to focus specifically on reviewing the arrangements for data migration and testing, where there were clear information governance risks and risks to the quality, completeness and accuracy of data.

1.9 In completing our work, we identified various issues/risks for consideration by project management in ensuring the data migration and management process was adequately controlled. These included the need to ensure:

- Member data temporarily held in Surrey County Council's (SCC) version of Altair, for business continuity reasons, is adequately protected;
- Reconciliation controls are in place before and after data transition to ensure the accuracy of data;
- System administration access is properly controlled;
- Risks identified as part of the risk management process are assigned to individual owners to manage; and
- Issues arising from user acceptance testing are adequately resolved prior to go-live.

1.10 In discussing the above with project management, we were comfortable that adequate arrangements were in place to address the areas raised. The decision to go-live was made by the project on 26 March 2021.

Commissioning and Delivery of Property Projects

1.11 The capital programme sets out the Council's investment plans to support its core services in the delivery of priority outcomes. A major part of this relates to property and includes the provision for essential school places and enhancements to existing corporate buildings to ensure they remain fit for purpose, particularly as the estate shrinks and the Council strives to make best use of its remaining assets.

1.12 The capital programme, which runs to 2022/23, includes planned gross expenditure of £282 million, which will be financed through a range of funding streams, including £158.9 million from non-specific grants and £80 million from borrowing.

1.13 Our review in this area focused on the commissioning, planning and delivery of a sample of projects, to provide assurance that adequate arrangements exist to ensure:

- Only projects that meet the strategic needs of the Council are commissioned;
- Project initiation documents for property works are aligned to Council priorities and are supported by clear and robust plans covering specification, timescales, costs and cash flow;
- Outline and detailed project design take into account all relevant factors to enable accurate costs to be calculated;
- Project governance arrangements deliver projects on time, to the agreed specification and within budget;
- Procurement at all stages in the project delivers value for money; and
- Project slippage and potential cost variations are reported in sufficient time to allow effective decision making.

1.14 We reviewed a sample of property projects that were at different stages of the project lifecycle and were being delivered across Council departments.

1.15 In completing this work, we were only able to provide an opinion of **minimal assurance** because:

- Roles and responsibilities for Council officers and consultants were not sufficiently well defined, weakening accountability and project governance arrangements;
- A robust project management framework that outlines the project lifecycle and processes is not always followed for all property projects undertaken. This has led to inconsistent and ineffective project management;
- Key project documentation, including the Project Initiation Document (PID) and project management plan, were not used to support the delivery of all the projects;
- Engagement, collaboration and communication between client departments and the Property team is not always timely and effective. Feasibility studies are not always completed to provide cost estimates for business cases and, where they are, their limitations are not always understood by client departments. Greater collaboration between Property and client departments is needed to reduce incidences of projects being approved, based on significantly underestimated costs; and
- Change control processes are not always clear. Some changes are approved where no costs or cost estimates had been produced. This is particularly significant where foreseeable costs have not been included as part of the planning process, and prior to the contract being let, which can lead to contract variations throughout the project, increasing the overall cost. In some cases, consultants are able to agree changes, certify that work has been completed, approve costs of the work and are paid on a percentage of the contract value, reducing their incentive to control costs.

1.16 Management was very responsive when we reported our findings and, in addition to agreeing a robust action plan, put arrangements in place to monitor its implementation. These monitoring arrangements include regular liaison with Internal Audit. A formal follow-up review will also be undertaken during 2021/22 to assess the implementation of the agreed actions.

Robertsbridge Project

1.17 In September 2020, a paper was presented to the Capital Strategic Asset Board to “update Capital Board on the reasons for increases in costs” of the project to extend the SEN facility at Robertsbridge Community College. The paper reported that the full programme of planned works was now forecast to cost £2.9m, compared with the original budget of £1.31m.

1.18 As a result of this increase in costs, we were requested to review the management of the project. Specifically, we were asked to review the project’s inception, procurement arrangements, change control, financial reporting and communication arrangements between all parties throughout.

1.19 It was recognised that the impact of the Covid 19 pandemic might have been a contributory factor in the increase in costs. The objective of the review was to ascertain the reasons for this increase and to identify any lessons that may be learnt from the project, focussing on the following areas:

- The original business case and costings were based on robust information;
- All changes to the scope of the project were necessary to the successful delivery of the project, were fully costed and subject to the appropriate approval;
- Project/contract management arrangements were effective in controlling costs; and
- Accurate and timely financial reporting ensured the early identification of potential over-spends and effective corrective action.

1.20 Our testing identified several areas where significant improvement was needed. Whilst the onset of Covid 19 had caused delay and additional costs, most of the difference in cost between the business case (£1.31m) and the then projected out-turn (£2.9m) was caused by poor planning and project management. Figures from the quantity surveyor indicate that £380K of the over-spend was due to Covid 19.

1.21 Our findings correlated strongly with the above audit on the Commissioning and Delivery of Property Projects that was already underway (see 1.11 onwards). Instead of providing an audit opinion, therefore, we focussed on lessons learned with a view to strengthening controls. Throughout our work, management was fully engaged with the process and responded positively to our findings. A robust management action plan was agreed to address our findings and the Property team continues to liaise with us during its implementation.

1.22 The main areas where controls needed strengthening included:

- The improvement of collaboration across the Council to ensure that business cases identify significant costs at the outset and that project planning is effective. This includes the need to carry out surveys recommended in feasibility studies before key decisions are made;

- The clarification of what costs are, or are not, included in feasibility studies because the approval of the project, and subsequent, significant, changes to its scope were made on the basis of significantly understated cost estimates;
- Improving project governance arrangements, to include clearly defined roles and responsibilities, and the use of project initiation documents and project management plans for all stages of the project;
- Ensuring that changes to projects are only made after consultation with the client department (CSD) and after having been costed appropriately and formally approved;
- Strengthening budget management by ensuring that projects are managed to the correct budget and that decisions are taken based on an accurate understanding of the budgetary position; and
- Placing less reliance on external contract administrators so that they do not undertake feasibility studies, approve contract variations, retain all change control documentation, and produce cost reports and project management plans (where present), which weakened the Council's control over the project.

Accounts Receivable

1.23 The Accounts Receivable function is responsible for ensuring that all income due to the Council is collected effectively and efficiently, banked promptly and is correctly accounted for.

1.24 Between the 1 April 2019 and 31 March 2020, 73,494 invoices were raised totalling £99.6m, which were offset by 566 credit notes totalling £3.9m. This compares with 69,769 invoices with a value of £86.3m in the 2018/19 financial year. These were offset by 603 credit notes with a value of £4.8m.

1.25 This audit provided assurance over the key controls operating within the Accounts Receivable system, including those in place for ensuring the accuracy of customer details; the accuracy of invoicing; the recording and matching of payments to invoices; and completeness of debt recovery. In addition, evidence was sought that the agreed actions in the 2019/20 audit had been implemented.

1.26 In completing our work in this area, we were able to provide an audit opinion of **substantial assurance** for the following reasons:

- The Accounts Receivable system is well controlled, and our testing of a sample of invoices raised indicated that the service operates to a high level of accuracy;
- Refunds for incorrectly raised debts and/or overpayments had been completely and accurately paid and recorded in the Council's accounts in line with established protocols;
- Evidence of write-offs is maintained and appropriate approval for these is given;
- Unallocated income held in the Council's suspense accounts is regularly reviewed to ensure the appropriate allocation of monies received;
- Reconciliations are undertaken on a regular basis, and where appropriate, discrepancies are investigated; and
- An aged debt analysis at a customer level is completed and distributed monthly to nominated officers within departments, to help ensure that all debt is managed appropriately.

1.27 Some opportunities for improvement were, however, identified and these were agreed with management as part of a formal management action plan. These included the need to:

- Update the Income Collection Policy to reflect changes agreed by senior management;
- Continually encourage the prompt raising of accounts after the goods/services have been delivered or rendered; and
- Regularly review user permissions and approval levels within the SAP system help ensure that members of staff do not have inappropriate access rights and/or authorisation levels.

Education, Health and Care Plans

1.28 In 2019, almost 15% of young people nationally were recorded as having a special educational need or disability (SEND). A child or young person is recorded as SEND if they have a learning difficulty and/or a disability that means they need special health and education support. The SEND Code of Practice 2014 and the Children and Families Act 2014 gives guidance to health and social care, education and local authorities to make sure that children and young people falling within this group are properly supported.

1.29 Under the Children and Families Act 2014, the Council must ensure that every child or young person can be supported to facilitate their development and to help them achieve the “best possible educational and other outcomes”. If a child or young person needs, or may need, more support than their school or other setting can give them, then the Council must carry out an Education, Health and Care needs assessment. This assessment may lead to an Education, Health and Care plan (“EHC plan”) being produced for them. An EHC plan will set out the additional support the child or young person needs and the school or other institution they will go to. Once special educational provision has been specified in an EHC plan, there is a legal duty to provide it.

1.30 The purpose of this audit was to provide assurance that controls are in place to meet the following objectives:

- A co-ordinated process is in place to assess a child’s educational, health and care needs;
- The assessment process is undertaken in a timely manner, in accordance with the SEND Code of Practice;
- EHC plans are monitored and reviewed annually and providers are challenged where the support set out in the EHCP is not being delivered; and
- There is adequate budget management around the EHC plan element of the SEND service.

1.31 In completing this work, we were able to confirm that management has established a SEND strategy, a monthly EHCP monitoring process and a firm control of the SEN high needs block budget. We were also able to provide assurance that EHC plans are being monitored annually. As a result, we were able to provide an audit opinion of **reasonable assurance**.

1.32 Some opportunities for improvement were identified, however, including the need to:

- Reduce reliance on one individual to perform key tasks such as extracting information to generate SEND monthly monitoring reports and the calculation of additional monthly top-up and exceptional funding for schools; and
- Ensuring professional advice from other bodies (which are used to facilitate the assessment and decision process over the issue of EHCP's) are received in a timely manner, in accordance with the SEND Code of Practice.

1.33 A formal action plan to address these findings was agreed with management.

Adult Social Care Transformation Programme

1.34 The Adult Social Care and Health (ASCH) programme has been developed in response to Covid 19 where the pandemic has fundamentally changed the way ASCH operates. The objective of the programme is to develop and coordinate a coherent response which aims to reshape the business of the department. It includes the development of an operational strategy to incorporate new ways of working to help ensure workforce safety, outcomes for clients and organisation efficiency, remain paramount.

1.35 The programme aims to deliver a model for the future delivery of ASCH which aligns with Council priorities and which also takes full account of the impact of the Covid 19 pandemic and any resulting requirements, including a review of the ASCH core offer to ensure the financial consequences are fully taken into account.

1.36 Whilst there are numerous components within this programme, we agreed with the management to focus, initially, on the projects relating to Commissioning and Income, due to the associated high financial risks in these areas.

1.37 To date, we have been included in the Income Working Group meetings in order to provide advice on proposed process changes within ASC Financial Services, which feeds into the Income Project. As part of this, we have advised on the potential risks of the use of electronic signatures and the possible controls to be included in the process. In addition, we have reviewed proposed process changes for carers personal budget (CPB) payments and highlighted potential areas of consideration for management.

1.38 We have also issued a position statement on the Shielding Group Project, where we reviewed the processes introduced by the Council in order to meet its statutory duty to those classified as clinically extremely vulnerable (CEV). Based on the work we completed, we were able to provide assurance that the Council had met its statutory duty regarding their responsibilities to the CEV cohort and that governance arrangements over the project had been properly established. Areas for consideration were shared with management in order to strengthen controls going forward and these were incorporated into a 'lessons learned' exercise undertaken in May.

1.39 Advice work with the Income Project and the two Commissioning Projects is ongoing into 2021/22, until the completion of the ASCH Transformation Programme.

Modernising Back Office Systems (MBOS) Programme Governance and Risk Management Arrangements (Phase 2)

1.40 The Modernising Back Office Systems Programme (MBOS) was approved by the Corporate Management Team (CMT) in September 2019 to enable the Council to go to market for a replacement to the current version of SAP. The MBOS Programme will look to implement a new system(s) that better meets the current and future needs of the Council and which provides optimal return on its investment.

1.41 The current SAP system was implemented in 2004 and will no longer be supported beyond 2025. The MBOS programme is expected to run until August 2024 with the new system(s) to be implemented in August 2023. The overall cost of the system is expected to be circa £25m. An initial audit, undertaken in June 2020, provided reasonable assurance that effective governance and risk management controls were in place for the programme. We were not able to provide assurance over all key areas as the programme was in its infancy and these areas had not been fully developed.

1.42 With the receipt of bids as part of the procurement exercise, the programme is entering a new phase. The governance structure has also changed since the previous audit with the creation of an Executive Board and the Programme Board becoming the Delivery Board. For these reasons, the Programme Board asked us to revisit the audit and update the assurance provided.

1.43 To save time and reduce the impact on the programme and the board, we have sought to identify areas of change, and did not re-audit areas that have not changed significantly since the last review.

1.44 In completing this work, we provided **partial assurance** over the governance and risk management arrangements operating within the programme because:

- Whilst a short-term timetable for the current procurement activities is in place, there was no overarching/indicative MBOS programme plan, including any supporting plan that covers the deployment approach for the entire period of the programme;
- Roles and responsibilities for the programme team had not been formally documented, signed-off and communicated, and were therefore found to be unclear;
- Our testing found there had been insufficient independent review of highlight reports prior to presentation to the Board, including a lack of appropriate input from the Subject Matter Experts (SMEs);
- The lessons learned review presented to the Programme Board in February 2021 was undertaken and produced by the former Programme Manager and as such, may not have provided sufficient objectivity and independence;
- Although there is a risk, assumptions, issues, and dependencies (RAID) log maintained at programme level and this is presented to the Board, there is currently no supporting framework/criteria to help in identifying and assessing risks;
- Monthly highlight reports presented to the Board required strengthening, including better information on overall plan delivery; and

- There was no documented framework to manage and approve any potential changes in programme scope, cost, and quality.

1.45 Despite the areas of improvement above, we noted that management had identified the need to improve the governance and risk management and a Programme Management Office (PMO) had been introduced to address the gaps. Based on discussions with the new Programme Lead, we are aware that a rapid discovery review was performed by the PMO and some of the issues noted in our review are already being addressed.

1.46 Actions have been agreed with management to address four high risk and nine medium risk findings identified during the review and we will therefore continue to work with the Programme Board, Programme Sponsor and recently appointed Programme Manager to support further improvements.

Modernising Back Office Systems (MBOS) Programme Governance Support

1.47 As explained above, the MBOS Programme was approved by the Corporate Management Team (CMT) in September 2019 to enable the Council to go to market for a replacement to the current version of SAP.

1.48 We have agreed a package of assurance work with the Programme Board along with the provision of ad-hoc advice and guidance on probity, control and governance issues as the programme progresses.

Cyber Security during COVID

1.49 Cyber-attacks on the Council's IT systems and devices are a threat to the security of the Council's data and could have a significant adverse impact on service delivery. Cyber security refers to the measures in place to combat these threats, and is defined as the protection of information systems, the data on them, and the services they provide, from unauthorised access, harm or misuse.

1.50 During the Covid-19 pandemic, the majority of Council employees have been working remotely - a change which was, through necessity, introduced quickly. For this reason, the Council are even more reliant on their IT network infrastructure.

1.51 This audit sought to evaluate whether suitable controls in relation to cyber security have remained in place, taking into account this new way of working and to ensure new controls are introduced where there are new or emerging risks as a result. Arrangements for protecting Council information systems, data and services, and the approach to responding to identified incidents, were also considered, primarily via structured interviews with key staff within the Information Security team.

1.52 We have not shared the specific details of our findings here, as this information could potentially be used in a successful cyber-attack. However, based upon the testing we have undertaken, we have been able to provide assurance that there have been no significant changes in cyber security arrangements due to remote working and other factors associated with the Council's response to the

Covid-19 pandemic. One previously identified control weakness in relation to cyber security remained in place, presenting a level of ongoing risk.

1.53 Overall we were able to provide an audit opinion of **reasonable assurance** over the control environment.

Property Asset Management System (PAMS) Data Governance and Migration

1.54 The current ESCC Property Asset Management System (PAMS) is a system known as 'Atrium', the provider of which has given notice that it will no longer be supported from 2021. The system is used to hold asset management data on all Council property and operates as a works order management system for repair and maintenance. It also interfaces with the Council's current SAP ERP system.

1.55 The PAMS project sits under the Modernising Back Office Systems (MBOS) Programme and is governed by the MBOS Board. The project is focussed on transferring all functions carried out on Atrium onto a new asset management system.

1.56 The primary objective of this audit was to provide assurance that effective data governance and migration controls are in place for the PAMS project. Following our review, we were able to provide **reasonable assurance** over the control environment. In providing this opinion, we found that:

- A Project Definition Document and a specific work package for data migration have been developed, which defined both the scope and deliverables for data migration and archiving processes;
- Prior to the work package being developed, an extensive gap analysis and data quality review was undertaken;
- Data being migrated into the new system is being reviewed for its completeness and new data is being subject to a validation process against the relevant data categories to ensure that the transfer has been successful;
- Responsibilities for sign-off of data have been assigned and documented as part of the work package; and
- A data dictionary has been created and approved in consultation with the different stakeholders using the new system.

1.57 Some opportunities to further strengthen these arrangements were, however, identified, particularly in relation to documenting data migration and archiving processes, ensuring appropriate Data Impact Assessments are completed in all cases where these are required and clarifying data standards where necessary. Actions were agreed with management to improve controls in response to all of the findings identified during the audit.

Troubled Families

1.58 The Troubled Families (TF2) programme has been running in East Sussex since January 2015 and is an extension of the original TF1 scheme that began in 2012/13. The programme is intended to support families who experience problems in certain areas, with funding for the local authority received from the Ministry of Housing, Communities and Local Government (MHCLG), based on the level of engagement and evidence of appropriate progress and improvement.

1.59 Children's Services submit periodic claims to the MHCLG to claim grant funding under its 'payment by results' scheme. The MHCLG requires Internal Audit to verify 10% of claims prior to the Local Authority's submission of its claim. We therefore reviewed 17 of the 165 families included in the January-March 2021 grant cohort.

1.60 In completing this work, we found that valid 'payment by results' (PBR) claims had been made and outcome plans had been achieved and evidenced. All the families in the sample of claims reviewed had firstly met the criteria to be eligible for the TF2 programme and had either achieved significant and sustained progress and/or had moved from out of work benefits into continuous employment. We therefore concluded that the conditions attached to the TF2 grant determination programme had been complied with.

Department for Transport – Local Transport Authority Covid-19 Bus Service Support Grant Restart

1.61 The nationwide lockdown imposed in March 2020 as a result of the COVID-19 pandemic led to a significant drop in patronage on public bus services. To support operators through this time of drastically reduced income, the Department for Transport (DfT) released funding for Local Transport Authorities (LTA's) to distribute to tendered services that had been affected by, or needed to be adjusted because of, the impact of COVID-19. The second tranche of this funding came in the form of a 'restart' grant, which aimed to support operators to increase capacity up to, and over where appropriate, 100% of pre-COVID levels.

1.62 The grant conditions required all bus operators in receipt of funding to provide up to 100% of usual service capacity or agree lower levels with the local authority. Operators receiving the commercial element of the COVID-19 Bus Service Support Grant could not submit a claim for this LTA funding, and were required to confirm that no services would be double funded, whilst local authorities were urged to maintain contractual payments at normal levels throughout the funding period.

1.63 Internal Audit were required to confirm that the funding had been used in line with the grant conditions, with our testing concluding that the grant conditions had been met. A confirmation letter was signed by the Chief Internal Auditor and Chief Executive, which was returned to the DfT on 7th April 2021.

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Report to: **Audit Committee**

Date: **6 July 2021**

By: **Assistant Chief Executive**

Title of report: **Assessment of the Corporate Governance Framework and Annual Governance Statement for 2020/21**

Purpose of report: **To consider the draft report to the Governance Committee on the Annual Assessment of the Corporate Governance Framework and Annual Governance Statement.**

RECOMMENDATION:

The Committee is recommended to:

- 1. consider the draft report to the Governance Committee and its appendices; and**
 - 2. confirm whether there are any changes to the Annual Governance Statement that the Committee wishes to recommend to the Governance Committee.**
-

1. Supporting Information

1.1 Under its terms of reference, it is the role of this Committee: "To review the Council's assurance statements, including the Annual Governance Statement, ensuring that they properly reflect the risk environment, and any actions required to improve it."

1.2 The Council publishes its Annual Governance Statement (AGS) in compliance with the requirements of the Accounts and Audit Regulations 2015. It is also reported separately to the Governance Committee as part of the Annual Assessment of the Corporate Governance Framework.

1.3 The draft Governance Committee report is attached as appendix A and any comments the Committee wishes to make will be reported to the Governance Committee at its meeting on 13 July 2021. In reviewing the AGS report, Members should consider whether it properly reflect the Council's risk and internal control environment.

PHILIP BAKER

Assistant Chief Executive

Contact officers:

Russell Banks, Orbis Chief Internal Auditor, 07842 362739

Andy Cottell, Democratic Services Manager 01273 481955

Local Member: All

BACKGROUND DOCUMENTS

None

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Committee: **Governance Committee**

APPENDIX A

Date: **13 July 2021**

Title of report: **Assessment of the Corporate Governance Framework for 2020-21**

By: **Assistant Chief Executive**

Purpose of report: **To (i) provide information on compliance with the Council's code of corporate governance and any changes to it that may be necessary to maintain it and ensure its effectiveness in practice; and (ii) gain approval of the Council's Annual Governance Statement in compliance with the requirements of the Accounts and Audit Regulations 2015.**

RECOMMENDATIONS: The Governance Committee is recommended to:

- 1. approve the action plan for 2021/22;**
 - 2. note that actions identified to enhance governance arrangements are reflected in Business Plans and that implementation will be monitored throughout the year;**
 - 3. confirm that Members are satisfied with the level of assurance provided to them through this report and the Council's governance framework and processes;**
 - 4. consider any comments from the Audit Committee;**
 - 5. identify any significant governance issues that should be included in the Council's Annual Governance Statement; and**
 - 6. approve the Annual Governance Statement for signature by the Leader and the Chief Executive and publication within the Statement of Accounts.**
-

1. Supporting Information

1.1 The corporate governance framework reflects both legislative and regulatory change and is based on revised guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Chief Executives and Senior Managers (SOLACE).

1.2 The Accounts and Audit Regulations 2015 require the Council to ensure that it has in place a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for risk management. The Council is required to conduct an annual review of the effectiveness of its system of internal control and to prepare an Annual Governance Statement (AGS) in accordance with proper practices in relation to internal control to accompany its Statement of Accounts.

1.3 The production of an AGS is the final stage of an ongoing process of review of our governance arrangements including risk management and internal control. In summary the process must involve an organisation reviewing the adequacy of its governance arrangements, developing an action plan for improving those arrangements and communicating the framework to users and stakeholders.

1.4 The report was considered by the Audit Committee on 6 July. Any comments arising from the Audit Committee will be reported to the Governance Committee at its meeting.

2. Assessment of the Corporate Governance Framework for 2020-21

2.1 The main policies and strategies that make up the Council's corporate governance framework are set out in the Local Code of Corporate Governance. The Local Code of Corporate Governance was updated to reflect the revised CIPFA/SOLACE Framework that was published during 2016 and was agreed by the Governance Committee in March 2017. The County Council's Local Code of Corporate Governance sets out the main principles of good governance for the Council. The Code is based on existing good practice and the core principles of the CIPFA/SOLACE framework.

2.2 The CIPFA/SOLACE framework defines the principles that should underpin the governance of local councils. To achieve good governance the Council should be able to demonstrate that its

governance structures comply with the core principles contained in the framework. It has therefore developed and maintained a Local Code of Governance including the core principles set out in the framework.

2.3 The seven principles included in the framework are:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

2.4 The Council's corporate governance framework is underpinned by a number of key documents and processes and the Local Code of Corporate Governance reflects the CIPFA/SOLACE Framework with the 7 core principles of the Framework being included as the County Council's principles of good governance. The main policies and processes that underpin the County Council's corporate governance framework have been reviewed against the seven core principles. The relationship between these principles and the main policies and processes is set out in Appendix 1.

2.5 Evidence shows that the Council continues to have in place good arrangements for corporate governance and that they are working effectively. A review of the AGS was undertaken by Internal Audit during 2020/21 and an opinion of Substantial Assurance was given. This opinion means that controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives. The minor actions agreed for further improvement have been implemented.

2.6 A review of the Council's governance arrangements for 2020/21 has been undertaken. This review process is summarised in Appendix 2. Each of the key policies and processes set out has been assessed and named officers have been required to provide an assurance as to whether the document is being complied with, the level of awareness of the document amongst staff and stakeholders, whether it reflects Council policy and best practice, and arrangements for reviewing it.

2.7 In addition, all Chief Officers have signed their own Directorate Assurance Statement confirming that proper governance arrangements, effective risk management and a sound system of internal control are in place within their department. They are also asked to identify any exceptions and any actions being taken to address them. Where further improvements are identified these are set out within the AGS and form part of departmental business plans for the year ahead. These actions will also be monitored through the relevant business plans. The Chief Finance Officer has signed an Assurance Statement regarding the Council's governance arrangements.

2.8 The overall corporate governance assessment and review of effectiveness has also been informed by the sources of assurance set out in section 3 of the AGS (Appendix 3). As part of the assurance gathering process, the CIPFA/SOLACE guidance on corporate governance was taken into account and is reflected in the Local Code.

2.9 A report from the Committee on Standards in Public Life included a best practice recommendation that: Councils should report on separate bodies they have set up or which they own as part of their Annual Governance Statement, and give a full picture of their relationship with those bodies. The Governance Committee has agreed that for the purposes of the AGS the Council interprets this as those bodies which are a separate legal entity (e.g. a company) and of which the Council is a member or has appointed a Member or officer as a Director.

2.11 To ensure that all relevant separate bodies are included a review has been undertaken to identify these bodies. Information regarding relevant bodies has been included at Annex B of the AGS. Originally, it was anticipated that a detailed review of separate bodies would be undertaken by Internal Audit during 2020/21 to identify any risks or issues that should be addressed. Due to other pressures this review will now be undertaken during 2021/22.

3. Annual Governance Statement

3.1 An AGS from the Leader of the Council and the Chief Executive is attached at Appendix 3. It includes the mandatory disclosure of any significant governance issues identified through the Council's governance and internal control arrangements.

3.2 Sound corporate governance is crucial if the Council is to continue to provide leadership, direction and control. It is important that Members are aware of the documents and activities that work together to provide assurances about the Council's governance measures in place. The AGS provides an opportunity for the Council to assess and report transparently to the public how it ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

PHILIP BAKER

Assistant Chief Executive

Contact officers: Russell Banks, Orbis Chief Internal Auditor, 07842 362739

Andy Cottell, Democratic Services Manager 01273 481955

Local Member: All

BACKGROUND DOCUMENTS: Pro formas returned by document "owners" setting out whether the various codes, policies and strategies are being complied with.

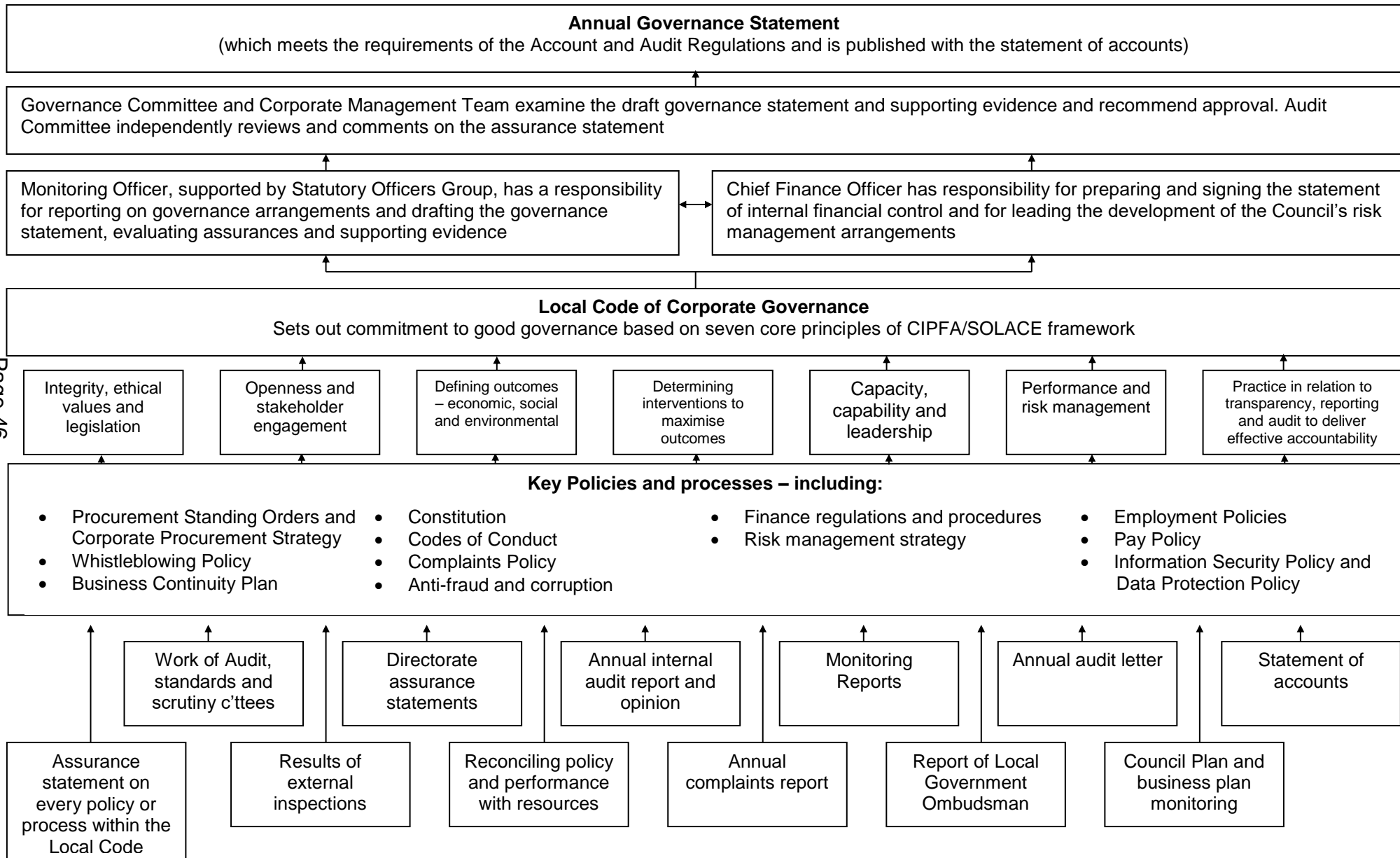
Local Code of Corporate Governance

Local Code of Corporate Governance – key policies and processes in relation to the seven core principles of the CIPFA/SOLACE framework (see paragraph 2.1)

Policy or process	Integrity, ethical values and legislation	Openness and stakeholder engagement	Defining outcomes – economic, social and environmental benefits	Determining interventions to maximise outcomes	Capacity, capability and leadership	Performance and risk management	Practice in relation to transparency, reporting and audit to deliver effective accountability
Reconciling Policy, Performance and Resources	✓	✓	✓	✓		✓	✓
Council Plan	✓		✓			✓	✓
Council Monitoring		✓		✓	✓	✓	✓
Procurement Standing Orders and Corporate Procurement Strategy	✓		✓	✓		✓	✓
Risk Management Strategy			✓	✓		✓	
Corporate Complaints Policy	✓	✓				✓	✓
Constitution	✓	✓		✓		✓	✓
Business Continuity Plan						✓	
Employment Policies	✓				✓		
Pay Policy	✓	✓			✓		✓
Scheme of Delegation	✓				✓		✓
Code on Officer / Member relations	✓			✓			
Member Training and Development					✓		✓
Guidance to members on outside organisations	✓		✓				
Code of Conduct for Employees	✓						✓
Code of Conduct for Members	✓						✓
Anti Fraud & Corruption Strategy	✓						✓

Policy or process	Integrity, ethical values and legislation	Openness and stakeholder engagement	Defining outcomes – economic, social and environmental benefits	Determining interventions to maximise outcomes	Capacity, capability and leadership	Performance and risk management	Practice in relation to transparency, reporting and audit to deliver effective accountability
Confidential Reporting (Whistle-blowing) Policy	✓	✓				✓	✓
Anti Money Laundering Policy	✓						✓
Financial Regulations & Standard Financial Procedures	✓		✓	✓		✓	✓
Medium Term Financial Plan	✓		✓	✓			
Communication/ engagement with residents and partners		✓					✓
Health and Safety Policies & Procedures	✓						
Information Security Policy (including Data in Transit) and Data Protection Policy	✓						
Freedom of Information Policy		✓				✓	✓

ESCC Framework for the Annual Governance Statement



All of these sources and others provide assurance on the adequacy and effectiveness of our controls over key risks

East Sussex County Council**Annual Governance Statement for the year ended 31 March 2021****1. Scope of responsibility**

East Sussex County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The County Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised. In discharging this overall responsibility, Members and senior officers are responsible for putting in place proper arrangements for the governance of the County Council's affairs, the effective exercise of its functions, the management of risk and the stewardship of the resources at its disposal. To this end, East Sussex County Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the Local Code is on our website at www.eastsussex.gov.uk or can be obtained from the Council's Monitoring Officer. This statement also sets out how the County Council has complied with its Local Code and also meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2. Purpose of the governance framework

Good governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Our governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. Through effective governance the Council is accountable to, engages with and, where appropriate, leads the community.

The code of corporate governance can provide only reasonable and not absolute assurance that the Council achieves its aim of good governance. Equally the County Council's system of internal control is designed to identify and prioritise the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage those risks efficiently, effectively and economically. It cannot eliminate all risk of failure; it can therefore only provide reasonable and not absolute assurance that our policies, aims and objectives are achieved.

The Local Code of Corporate Governance and the system of internal control have been in place at East Sussex County Council for the year ended 31 March 2021 and up to the date of the approval of the statement of accounts.

3. Review of effectiveness

East Sussex County Council reviews the effectiveness of its governance arrangements, including its system of internal control, on an ongoing basis. This review of effectiveness is informed by:

- the work of Members through the Cabinet, Committees including Governance Committee, Standards Committee, Audit Committee, Scrutiny Committees generally and the full Council;
- the work of Chief Officers and managers within the Council, who have primary responsibility for the development and maintenance of the internal control environment;
- the work of the Chief Executive, Monitoring Officer, Chief Finance Officer and the Statutory Officers' Group;
- the risk management arrangements, including the maintenance and regular review of strategic risks by Chief Officers and departmental risks by management teams;
- the work of the internal audit service including their quarterly progress reports, on-going action tracking arrangements and overall annual report and opinion;
- the external auditors in their audit annual letter and annual governance report;
- the judgements of a range of external inspection and other statutory bodies including the Local Government Ombudsman, the Care Quality Commission and the Office for Standards in Education

4. Key elements of the governance and internal control environments

The key elements that comprise the Council's governance arrangements are set out in the Local Code and they include:

- a Council Plan that sets out our vision for the community and the outcomes we intend to achieve;
- an established medium term planning process including the process for reconciling policy priorities with financial resources, which takes account of performance and the need to improve both customer focus and efficiency;
- a business planning and performance management framework which includes setting clear objectives and targets, both financial and otherwise;
- regular reporting of performance against the Council's key objectives, as set out in the Council Plan, to officers and Members;
- established budgeting systems, clear budget management guidance and regular reporting of financial performance against budget forecasts to officers and Members;
- financial management structures which promote ownership of financial issues within service departments;
- compliance with the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Finance Officer;
- the Council's constitution which sets out clear arrangements for decision making, scrutiny, communication and the delegation of powers to officers and Members;
- codes of conduct for Members and employees which set out clear expectations for standards of behaviour;
- a clear framework for financial governance based on Procurement Standing Orders, Financial Regulations and Standard Financial Procedures;
- a risk management framework, which takes account of both strategic and operational risks and ensures that they are appropriately managed and controlled;
- Member committees with clear responsibilities for governance, audit and standards;
- established arrangements for dealing with complaints and whistle-blowing, and combating fraud and corruption;
- schemes for identifying the development needs of Members and officers, supported by appropriate training;
- strategies for communication and consultation with the people of East Sussex and our key stakeholders;
- clear guidance that promotes good governance in our partnership working;
- a range of policies and processes designed to ensure best practice and legal compliance for personnel matters, ICT security, access to information, data protection and project management.

5. The Authority's governance response to the Covid-19 Pandemic

The Council responded positively to the implementation of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which enable the Council to hold meetings in public by electronic means, in order to operate effectively during the period of the pandemic. The Council agreed to make temporary updates to its Standing Orders, making provision for virtual meetings and associated processes, to be effective for the period during which the regulations apply. The Council also agreed a range of temporary measures to enable the County Council's business to be conducted efficiently throughout the period of disruption due to Covid-19. This included putting in place specific delegations to officers which can be used if necessary, should practical, health or capacity related constraints limit the Council's ability to hold virtual meetings.

A series of training sessions, including one to one meetings, were held to ensure that all councillors were able to join and participate in virtual meetings. Specific training and guidance was been offered to Chairs of Committees and Lead Members in relation to chairing virtual meetings. Attendance at formal meetings was good.

Virtual Meetings took place throughout 2020/21 including the Full Council, Cabinet, Committees, Panels and individual Cabinet decision making meetings. The reporting and monitoring of performance, finance and ongoing updates to the Corporate Strategic Risk Register reflect issues arising from the pandemic.

Members provided feedback on their experiences of virtual meetings and their views on proposals for the conduct of meetings, including ongoing Member support needs. The responses received were considered by the cross-party Member ICT and Development Reference Group which supported the approach being taken.

All county councillors were invited to two Whole Council Forums (July and September) at which officers provided an update in relation to Covid-19 and the implications for the Council. The Forums provided an opportunity for councillors to raise questions and issues in relation to the pandemic which can inform future decisions of the Council.

The Cabinet has considered two reports (which was referred to the Full Council for debate) in relation to the measures taken in response to Covid-19 and on the proposed approach to resetting the Council's activities. The Council is using its existing political and business planning processes to develop its plans. The following principles will guide the planning of Covid-19 recovery for East Sussex County Council services and the Council's wider support for residents and businesses:

- Our usual business planning process (RPPR), led by Cabinet and CMT, was used to develop a short-term recovery plan 2020/21 and medium/long-term full planning from 2021/22
- The Council's Core Offer, Priority Outcomes and subsidiary Delivery Outcomes will be reviewed and revised as needed to ensure they are right for recovery plans – recognising the fundamental changes that have taken place in society and the way it works and building on the positive lessons we have learnt. Some services we set up in response to the pandemic will need to continue into the foreseeable future and the impact of decisions we have taken could have long lasting service and financial consequences (for example in ASC).
- The Council's financial resource allocations for current and future years will be reviewed and revised to take account of changes in availability and priorities
- Learning from what has worked well and what has not during the crisis will be fully considered in recovery planning and long-term planning for services and partnerships

A flexible approach to planning and delivery is required as we move through the pandemic. Our integrated monitoring and risk processes provide a vehicle to allow us to do that. Our plans for future years will also need to take into account the broader context in which we are working: the impact of the pandemic on the national economy and our funding prospects, the changed needs of our residents and businesses and the impact of exiting the EU on both the economy and our services.

In July 2020 the East Sussex Health and Wellbeing Board approved the East Sussex Outbreak Control Plan. Planning to prevent and respond to cases of Covid-19 in our communities requires a whole system and multi-agency approach, including the NHS Test and Trace programme. A wide range of stakeholders contributed and commented on the Plan and will continue to shape its development. The Board approved an updated versions of the Plan in September, December and March and is to consider a further report on the development of the Plan in July 2021.

The Senior Management Group has been meeting regularly (twice a week) in order to review and evaluate the impact of Covid-19 on service provision and resources and consider future actions.

6. Assurance and Significant Governance Issues

No assurance can ever be absolute; however this statement seeks to provide a reasonable assurance that there are no significant weaknesses in the County Council's governance arrangements. On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the County Council has in place satisfactory governance arrangements, including a satisfactory system of internal control, both of which are operating effectively.

The Annual Internal Audit Annual Report and Opinion provides an opinion on the adequacy of County Council's control environment as a contribution to the proper, economic, efficient and effective use of resources. The Council must undertake an effective internal audit to evaluate the effectiveness

of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. Annually, the Chief Internal Auditor is required to provide an overall opinion on the Council's internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement and this is provided in the Annual Internal Audit Annual Report and Opinion. Based on the internal audit work completed, the Orbis Chief Internal Auditor has provided reasonable assurance that East Sussex County Council had in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2020 to 31 March 2021.

As part of our review, we have not identified any gaps in assurance over key risks or significant governance issues.

The Council will continue to regularly monitor issues that may seriously prejudice or prevent achievement of its key objectives through its strategic risk review process

Both governance and internal control arrangements must be kept under review to ensure that they continue to operate effectively and meet changing legislative needs, reflect best practice and our intention to achieve excellence in all our activities. The Council, through the Directorate Assurance Statements and the Chief Finance Officer's Assurance Statement, has identified a number of areas where it wishes to enhance its governance arrangements. These are set out on the attached Annex A together with the department responsible for them. Each Director has included in their Directorate Assurance Statement confirmation that the actions identified for 2020/21 have been completed or provided an update and explanation regarding progress.

A review of the AGS was undertaken by Internal Audit during 2020/21 and an opinion of Substantial Assurance was given. This opinion means that controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives. The minor actions agreed for further improvement have been implemented.

The Council Plan identifies a number of areas that have governance implications and these will be monitored through the Council Plan monitoring process. The areas outlined in the attached Annex A will be monitored through departmental business plans.

The Council has also identified a need to develop its approach to transparency and to respond to the Government's open data agenda which will be monitored and managed.

Actions plans are in place to address these issues, and their implementation will be monitored and reviewed during the year.

A report from the Committee on Standards in Public Life included a best practice recommendation: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place. Details of relevant bodies are set out in Annex B.

Councillor Keith Glazier, Leader
Becky Shaw, Chief Executive
13 July 2021

The following actions will be taken to strengthen governance, risk management and internal control environment during the current year. The actions are shown for each department and will be monitored through departmental business plans. Alongside these all departments will contribute to the council's Covid 19 response and recovery plan and consider what actions are required to return to business as usual and the identification of any learning (Ongoing)

Business Services (BSD)

- Progress the chosen supplier software through the design and testing phase, prior to implementation in 2022/23, for the Managing Back Office Services (MBOS) programme. The programme seeks to replace the Council's core finance and HR systems with a suite of back office systems that best meet the current and future needs of the Council. (Throughout 2021)
- Implement outcomes from the review of the Orbis partnership, which will result in a reshaped partnership model and strengthened arrangement for delivery of savings. (March 2022)
- Embedding and recruiting the approved increased integrated structure for Pensions Fund and Administration (September 2021)
- Implement new target operating model for the property service. (September 2021)
- Migration of systems and services onto hyper-converged infrastructure to further enhance resilience by moving away from the traditional model of disaster recovery to one of heightened availability. (September 2021)
- Maximise robotic process automation opportunities in consultation with key stakeholders where appropriate to introduce simple but effective validation and control gateways to key processes. (August 2021)
- Implementation of the Procurement modernisation programme to improve governance, reporting and decision making. Key changes will be the provision of a nominated Procurement Business Partner for each directorate, the establishment of a resourcing hub to improve the management of projects, and a revised operating model with proportionate governance, processes, and updated systems. (March 2022)
- Rollout Contract Management training across the Council through a series of e-learning modules to support the contract management framework available on the intranet and dedicated SharePoint site. (November 2021)
- Undertake assessment against the new CIPFA Financial Management Code and, where appropriate, agree actions for areas of improvement. (September 2021)

Children's Services

- Continue to review, monitor and report on the children and young people's priorities for the East Sussex Health and Care Plan and embed the new Children and Young People's Oversight Board. (March 2022)
- Develop the new Excellence for All strategy 2021-23, which will respond directly to the challenges and opportunities posed by disruptions to learning caused by the pandemic. (September 2021)
- Develop a new SEND strategy incorporating the gaps identified in the JSNA. (August 2021)
- Further develop the integrated 0-19 Early Help Service to embed a whole system, whole family approach to support us to create a more sustainable system and to improve outcomes for children, young people and families. (March 2022)

Communities, Economy and Transport

- Development of corporate strategy for the digital preservation of modern records - audit and options analysis undertaken (March 2022)
- Review of progress and governance of the highway's re-procurement project (Ongoing until contract award)
- Review of highways cultural compliance actions identified by Internal Audit (March 2022) – all actions complete / on-going annually and awaiting follow-up audit
- Audit of grants and loans governance and process (March 2022)
- Review of our effectiveness as a statutory consultee on planning applications (March 2022)
- Travel Audit Plan Fees – audit to ascertain whether ESCC receive all payments due as part of new development (March 2022)
- Review of the Council's role in relation to Sea Change Sussex (March 2022)

Adult Social Care and Health

- Delivery of the ASCH Programme (Covid-19 Recovery Plan) on target for August 2021.
- Developing by December 2021 our East Sussex Health and Social Care Partnership model to respond to the White Paper and the further development of the Sussex Integrated Care System (ICS), with a specific focus on our place based plans for integrated commissioning, provider collaboration and integration, and working in partnership to strengthen community wellbeing.
- In the context of the plans to establish ICSs on a legal footing and absorb the existing functions of Clinical Commissioning Groups by April 2022, establish by December 2021 a shared framework for our system financial model and ongoing MTFP at place level within our Sussex ICS. This will align with organisational budget-setting processes for future years and will include appropriate shifts in investment and relevant Discharge to Assess and Better Care Fund targets, as well as any risk share arrangements that may be developed to support new models of care.
- Complete the review of Public Health and by March 2022 establish a delivery plan and governance arrangements to ensure all agreed proposals are delivered.

Governance Services

- Ensure the successful election of 50 councillors at the County Council election in May. Target date – May 2021
- Finalise and implement the induction and training programme for new councillors whilst maximising the experience and knowledge of returning councillors, including on decision making, business planning, the Code of Conduct for Councillors, equalities; and belonging to Outside Bodies. Target date – to complete the main induction programme by July 2021 and then ongoing training and development throughout the year.
- Review the arrangements for virtual decision making in light of the lapsing of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 and clarification from the High Court. Target date for completion October 2021
- Ensure decision-making arrangements and school admission appeal arrangements are revised to reflect any Regulations published during the year as a result of Coronavirus. Target completion date – ongoing throughout 2021/22
- Complete the business risk assessment of the School Appeals Management System. Target date - August 2021

Separate bodies owned or set up by the County Council

A report from the Committee on Standards in Public Life included the following best practice recommendation: *Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies.* Details regarding relevant bodies is set out below

TRICS Consortium Ltd – TRICS is an international system of trip generation analysis that is used in the transport planning industry. TRICS collect data relating to trip rates of different land uses, with members paying to access the database to use the data for a variety of uses.

What the relationship is between the body and the local authority	ESCC is a shareholder in TRICS Consortium Ltd. The Council has a 16.7% share - equal share with the five other county council shareholders
What is the structure and form of the body (eg private limited company etc)	TRICS is a local authority trading company. It has a board of directors (one from each of six counties that are shareholders plus a managing director). It is a private company limited by shares.
How the Council oversee its activities and provided assurance on its governance including financial governance	The ESCC nominated company director attends monthly board meetings to oversee the business of the company to ensure it is run to maximise the business for the benefit of ESCC. The ESCC Director shares the annual report with the relevant Head of Service.
What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest	There is no relationship, aside from the Lead Member for Transport & Environment is updated on the work of TRICS through briefing meetings.
How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen	The scrutiny of the work undertaken by the Body is through the planning process. The Council's role within the TRICS consortium falls within the remit of the Places Scrutiny Committee.
Designated Officer contact	Alex Jack, Communities, Economy and Transport

Woodland Enterprise Ltd. - The principal activity of the company is creating prosperity in woodland and wood using industries through sustainable development. The business works with woodcutters and other local businesses to promote sustainable use of wood.

What the relationship is between the body and the local authority	ESCC is a Member of this company. This is a company without shares but in terms of "influence" ESCC has one seventh (14.3%).
What is the structure and form of the body (eg private limited company etc)	The Company is limited by guarantee.
How the Council oversee its activities and provided assurance on its governance including financial governance	ESCC receives copies of Woodland Enterprise Limited's annual accounts. ESCC is required to disclose its interest in Woodland Enterprises in its own statements of accounts. A copy of the Woodland Enterprise Ltd annual accounts are requested each year and are included in the ESCC Statement of Accounts.
What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest	The Council has appoints a councillor to serve as a Director on the Board of Woodland Enterprise Limited (appointment to be made by the Governance Committee on 29 June). There might be possible conflicts of interest (eg. grant funding from ESCC etc).
How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen	The Council's role within the Woodland Enterprise Limited consortium falls within the remit of the Place Scrutiny Committee
Designated Officer contact	Andy Fowler, Business Services

Sea Change Sussex is a trading name of East Sussex Energy Infrastructure & Development Ltd (ESEID Ltd) – This is a not for profit economic development company delivering capital infrastructure schemes in the County

What the relationship is between the body and the local authority	East Sussex is a member of Sea Change Sussex, with Councillor ??? (appointment to be made by Governance Committee on 29 June) sitting on the Board of Directors. The company members do not hold shares, but have a percentage voting right in the company. The County Council alongside Rother District Council and Hastings Borough Council a 19.9% voting right in ESEID Limited company. The University of Brighton have a 30.1% voting right and local businesses the remaining 50%.
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	<p>Sea Change Sussex is a delivery partner developing and managing key economic development and infrastructure schemes in East Sussex. The partner delivers capital infrastructure schemes which unlock housing and employment sites in the county – this includes new site infrastructure (access roads) as well as employment space.</p> <p>These schemes are largely funded by external funding from either the South East Local Enterprise Partnership (SELEP) - Local Growth Fund capital grant programme or the SELEP - Growing Places Fund (GPF) loan programme or the Getting Building Fund (GBF) capital grant programme that Sea Change Sussex has secured, alongside some of their own capital receipts from the sale of commercial properties/land in their portfolio. East Sussex County Council acts as the Local Accountable Body for overseeing the devolution of funds from the SELEP to external partners such as Sea Change Sussex and has contract agreements in place for each scheme awarded.</p>
What is the structure and form of the body (eg private limited company etc)	Not-for-profit economic development company limited by guarantee
How the Council oversee its activities and provided assurance on its governance including financial governance	<p>Councillor ???? is the Council appointed Director of the Sea Change Sussex Board and, supported by senior officers, attends the quarterly Board meetings. These meetings provide quarterly reporting on legal commitments, operations and finance statement and updates on all individual projects.</p> <p>As a scheme promoter of LGF, GBF and GPF funded projects, Sea Change Sussex enters into legal agreements for the County Council to monitor the delivery of this public funding and report back to SELEP. The authority to enter into these agreements is sought from the Lead Member for Strategic Management and Economic Development. Sea Change Sussex are bound by the terms of individual Grant and Loan agreements stipulating the guidelines for which Sea Change must adhere to.</p> <p>East Sussex officers regularly meet with Sea Change Sussex representatives and attend project progress meetings for individual schemes, along with attendance and participation at the SELEP Programme progress meetings.</p> <p>The Section 151 Officer carries out the stewardship role in terms of monitoring and accounting in respect of the financial case within the overall business case and agreeing to the receipt of the funding.</p> <p>Capital Programme management of projects includes financial management of the public funds, monthly invoicing and spend review with the delivery partner. This information is used to inform quarterly reports to Team East Sussex (TES), and SELEP and within the County Council, quarterly reporting to the Departmental (CET) Capital Board and Corporate Strategic Asset Board.</p>

	<p>A report is considered by the Lead Member for Strategic Management and Economic Development annually on the year-end financial statement of public funding (e.g SELEP Funding managed by ESCC (Local Growth Fund grants, Growing Places Fund loans, and more recently Getting Building Fund grant) invested in the delivery of the capital infrastructure delivered by Sea Change Sussex) and the forecast spend for the coming financial year, all of which are compiled with finance colleagues and signed off by S151 officer.</p> <p>Schemes can be subject to review by Internal Audit.</p>
What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest	<p>Councillor ??? is a member on the Sea Change Sussex Board of directors and attends the quarterly Board meetings.</p> <p>Councillor ???? regularly attends TES and occasionally attends SELEP Board and SELEP Accountability Board meetings as a substitute for Councillor Keith Glazer. If an agenda item relating to projects delivered by Sea Change Sussex is on the agenda, a declaration of interest is declared and recorded in the minutes.</p>
How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen	<p>Councillor Keith Glazier sits on both the SELEP Board and SELEP Accountability Board and regularly attends meetings. In his absence, a member of the Cabinet attends meetings.</p> <p>There are scrutiny arrangements in place for all funding decisions taken by the Accountability Board. Under the SELEP Assurance framework, the Places Scrutiny Committee has the power to call in and scrutinise the decisions before they are implemented. Under the SELEP Accountability Board Joint Committee Agreement, each of the six Partner Authorities has the ability to challenge a decision made by the SELEP Accountability Board.</p> <p>Accountability Board decisions may be called-in by members of any Partner Authority in the same way they call-in decisions of their own executive arrangements, call-in may only be made if the decision affects that partner area. The 6 upper tier Authority Areas that form the SELEP are East Sussex, Essex, Kent, Medway, Southend and Thurrock.</p> <p>Furthermore, to facilitate Local Authority scrutiny of SELEP work and decisions, requests to attend Local Authority partner scrutiny committees are welcomed, and attendance prioritised.</p>
Designated Officer contact	Richard Dawson, Communities, Economy and Transport

South East Local Enterprise Partnership Ltd (SELEP Ltd) - Local Enterprise Partnerships (LEPs) were set up by Government in 2011 to identify and support local strategic growth priorities, encourage business investment and promote economic development. As one of 38 LEPs across England, the South East LEP is a business-led partnership between business, government, education and the third sector, plus other groups, covering the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.

What the relationship is between the body and the local authority	The County Council is a partner authority of SELEP Ltd – one of six county/unitary authorities, as listed above. The Leader of the County Council is a Company Director of SELEP Ltd. There are no shares/shareholders in the company. The County Council has one seat on the Board of Directors of SELEP Ltd, occupied by the Leader of the County Council.
What is the structure and form of the body (e.g. private limited company etc)	SELEP Ltd became a 'company limited by guarantee' in Feb 2020. SELEP Ltd has a Board of 20 Directors (plus an additional 5 co-opted Directors). East Sussex, Essex, Kent, Medway, Southend and Thurrock are members of the company. SELEP Ltd operates a federated model of governance, with four 'federated boards' covering its geography, allowing for decision-making and project prioritisation at a local level. The federated board for East Sussex is 'Team East Sussex' (TES).
How the Council oversee its activities and provided assurance on its governance including financial governance	<p>The SELEP Strategic Board (Board of Directors) meets at least quarterly, so the Leader of the County Council can directly oversee the activities of SELEP Ltd.</p> <p>SELEP Ltd has also established the following groups:</p> <ul style="list-style-type: none"> • Accountability Board – a 'joint committee' made up of SELEP's six county/unitary authority members, to oversee the financial governance of SELEP Ltd, responsible for the sign-off of all funding decisions. The Leader of the County Council is our representative on the SELEP Accountability Board. • Investment Panel – a sub-committee of the Strategic Board to act as an advisory committee on matters pertaining to project prioritisation, recommendations on provisional funding allocations and future priorities. The Leader of the County Council is our representative on the SELEP Investment Panel. • Senior Officer Group – an advisory group made up of a senior officer from each of SELEP's six county/unitary authorities. ESCC's Head of Economic Development, Skills, Culture and Infrastructure is our representative on the SELEP Senior Officer Group. <p>For projects within our local federated area, the County Council acts as the local accountable body for the defraying of funds (such as the Government's Growing Places Fund, Local Growth Fund or Getting Building Fund) from SELEP Ltd to external partners. A Service Level Agreement (SLA) is in place between the County Council and Essex CC as the accountable body to SELEP Ltd, and the County</p>

	<p>Council's S151 Officer is required to sign-off on all contract agreements between the County Council and project promoters.</p> <p>All of the governance arrangements for SELEP Ltd are set out in the SELEP Articles of Association, SELEP Framework Agreement and SELEP Local Assurance Framework. ESCC senior officers, including the Chief Finance Officer, collaborated on the development of all of these documents, and they have been approved through our own internal governance procedures (Lead Member SMED and Governance Committee).</p>
What the relationship is between the body and individual councillors and whether councillor's' involvement is likely to constitute a conflict of interest	The Leader of the County Council is a Company Director of SELEP Ltd, and has filed an appropriate declaration with SELEP Ltd in accordance with the SELEP Register of Interests policy. Where the Leader cannot attend a SELEP meeting, a substitute Cabinet Member may attend in their place, subject to full compliance with the same Register of Interests policy (the Lead Member for Economy has also filed an appropriate declaration with SELEP Ltd for such an eventuality). The declaration of a disclosable pecuniary interest does not apply where the interest concerned relates primarily to the general interest of any public sector member in her/his area of geographical responsibility; therefore the involvement of the ESCC Leader on SELEP Ltd is <u>not</u> likely to constitute a conflict of interest.
How can councillors scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen	The activities of SELEP Ltd do not fall within the remit of the County Council's audit or scrutiny committee, but SELEP Ltd does have its own scrutiny arrangements for all funding decisions taken by the SELEP Accountability Board, whereby each of the six county/unitary authority members of SELEP Ltd has the ability to challenge a decision made by the Accountability Board, and the scrutiny committees of the six county/unitary authorities have the power to call-in the funding decisions before they are implemented.
Designated Officer contact	Richard Dawson, Communities, Economy and Transport.

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Report to: **Audit Committee**

Date: **6 July 2021**

By: **Chief Operating Officer**

Title of report: **Strategic Risk Monitoring – Quarter 4 2020/21**

Purpose of report: **To update the Committee on current strategic risks faced by the Council, their status and risk controls / responses and to describe the current Risk Management process.**

RECOMMENDATION: The Committee is recommended to note the current strategic risks and the risk controls / responses being proposed and implemented by Chief Officers.

1. Background

1.1 Sound risk management policy and practice should be firmly embedded within the culture of the Council, providing a proportionate and effective mechanism for the identification, assessment and, where appropriate, management of risk. This is especially important in the current climate where there remains considerable uncertainty about the future.

1.2 Robust risk management helps to improve internal control and support better decision-making, through a good understanding of individual risks and an overall risk profile that exists at a particular time. To be truly effective, risk management arrangements should be simple and should complement, rather than duplicate, other management activities.

2. Supporting Information

2.1 The Council's Strategic Risk Register, which is attached as Appendix 1, is formally reviewed by Departmental Management Teams (DMTs) and the Corporate Management Team (CMT) on a quarterly basis. Members should note that this version of the Strategic Risk Register, which relates to Quarter 4 of 2020/21, was reviewed by CMT on 12 May 2021 and presented to Cabinet on 29 June 2021.

2.2 The previous update to this Committee was in March 2021 to present the Strategic Risk Register as at Quarter 3 2020/21. There have been various updates to the Strategic Risk Register to reflect the Council's risk profile as follows:

- **Risk 14 (Post European Union (EU) Transition)** has updated risk definition, controls, and post mitigation score.
- **Risk 8 (Capital Programme)** has updated risk definition and controls.
- **Risk 1 (Roads), Risk 4 (Health), Risk 6 (Local Economic Growth), Risk 9 (Workforce), Risk 15 (Climate) and Risk 16 (Covid-19)** have updated risk controls.

2.3 The format of Appendix 1 has been revised to enable the Committee to see trends in the Strategic Risk Register. The appendix now includes additional summary information to present historic RAG ratings, as well as current pre and post mitigation RAG ratings.

2.4 Officers will continue to explore opportunities to further strengthen the Council's risk management arrangements and for mitigating our key strategic risks. It is however, important to recognise that in some cases there is an inherent risk exposure over which the Council has only limited opportunity to mitigate or control.

3. Conclusion and Recommendation

3.1 The Committee is recommended to note the Strategic Risk Register in its revised format.

PHIL HALL
Interim Chief Operating Officer

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Local Member: All

Background documents:
None

Strategic Risk Register Summary - Q4 2020/21

Strategic Risks - Historic RAG Ratings													
Ref	Strategic Risks	2018/19 Q1	2018/19 Q2	2018/19 Q3	2018/19 Q4	2019/20 Q1	2019/20 Q2	2019/20 Q3	2019/20 Q4	2020/21 Q1	2020/21 Q2	2020/21 Q3	2020/21 Q4
1	Roads	A	A	A	A	A	A	A	A	A	A	A	A
4	Health	R	R	R	R	R	R	R	R	R	R	R	R
5	Reconciling Policy, Performance & Resource	A	R	R	R	R	R	R	R	R	R	R	R
6	Local Economic Growth	G	G	G	G	G	G	G	G	G	G	G	G
7	Schools	R	R	R	A	A	A	A	A	A	A	A	A
8	Capital Programme	A	A	A	A	A	A	A	A	A	A	A	A
9	Workforce	A	A	A	A	A	A	A	A	A	A	A	A
10	Recruitment	A	A	A	A	A	A	A	A	A	A	*	
12	Cyber Attack	R	R	R	R	R	R	R	R	R	R	R	R
13	Dedicated Schools Grant	A	A	A									
14	No Trade Deal Brexit / Post European Union (EU) Transition			A	R	R	R			R	R	R	G
15	Climate				R	R	R	R	R	R	R	R	R
16	Covid-19								R	R	R	R	R

* Risk 10 (Recruitment) was removed from the Strategic Risk Register as a stand-alone risk and incorporated into Risk 9 (Workforce)

Strategic Risks - Pre (■) and Post Mitigation (◆) RAG Ratings (Q4 2020/21)									
Ref	Strategic Risks	High Risk ← → Low Risk							
1	Roads		■		◆				
4	Health	■	◆						
5	Reconciling Policy, Performance & Resource	■	◆						
6	Local Economic Growth				■			◆	
7	Schools		■		◆				
8	Capital Programme		■			◆			
9	Workforce			■		◆			
12	Cyber Attack	■	◆						
14	Post European Union (EU) Transition		■					◆	
15	Climate	■	◆						
16	Covid-19	■	◆						

Strategic Risk Register - Q4 2020/21

Ref	Strategic Risks	Pre-mitigation RAG	Risk Control / Response and Post Mitigation RAG score	Post-mitigation RAG
16	COVID-19 Adverse impact of COVID-19 sickness and restrictions on Council finances and services. Reduced ability to deliver services, priorities and long-term planning, impacting on e.g. protecting and supporting vulnerable adults and children, education and schools, roads and infrastructure, local economic growth, and the Council's workforce. Capacity to manage a response to a significant sustained increase in COVID-19 cases alongside other winter pressures. Adverse impact of COVID-19 on local health, wellbeing and economy, creating new long-term need for Council services.	R	<p>Services have changed and adapted to the changing situation and Government guidance. We are endeavouring to keep services going as far as possible and to offer other options, when it isn't possible. We continue to review and adjust services in line with the lockdown relaxation. Members of staff who can work remotely are doing so and risk assessments have been undertaken for all staff working in buildings or with service users, with appropriate protective measures in place.</p> <p>Looking after the most vulnerable people in our community is our absolute priority and we continue to work with our Borough and District partners to support those who need additional help through the Community Hubs. We have received additional funding from the Government to undertake a range of new activities and support and are closely monitoring our COVID-19 spend. We are also monitoring impacts on the economy and wider community and developing recovery plans with our partners. The medium and long-term impact of COVID-19 is being factored into our Reconciling Policy, Performance and Resource (RPPR) finance and business planning.</p> <p>We have a Local Outbreak Plan to prevent, where possible, and respond to and contain local outbreaks, with specific measures for high risk areas. We are supporting NHS partners with delivery of the local vaccination programme and are also supporting community testing.</p> <p>The Corporate Management Team meets regularly to ensure our response and recovery is effectively co-ordinated and working well through our established partnerships and the new partnerships, which come into operation when we are operating under the Civil Contingencies Act, including the Sussex Resilience Forum and the Local Health Resilience Forum. Case numbers have fallen significantly compared to the winter peak in infections; we are continuing to work with our partners to ensure rates remain low and to plan for the next stages of lockdown relaxation.</p> <p>Extensive co-ordination and lobbying are taking place at Member and officer level through SE7, CCN and other arrangements.</p>	R
12	CYBER ATTACK The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure, with elevated levels of Cyber Crime being reported against all areas of government. Cyber attacks are growing more frequent, sophisticated, and damaging when they succeed. The COVID-19 pandemic has increased the need to carry out many additional functions virtually and remotely. Changes in working practice give rise to more requests to relax security controls, with services more likely to take risks on the technology they procure and how they use it.	R	<p>Most attacks leverage software flaws and gaps in boundary defences. IT&D use modern security tools to assure our security posture: Monitoring network activity and identifying security threats; Keeping software up to date with regular patching regimes; Continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence against them; Ongoing communication with the Security industry to find the most suitable tools and systems to secure our infrastructure. IT&D continues to invest in new tools, which use pre-emptive technology to identify threats and patterns of abnormal behaviour.</p> <p>Enhancing user awareness: Expanding E-Learning and policy delivery mechanisms to cover Cyber threat; educating staff around the techniques and methods used by active threats; and providing General Data Protection Regulation (GDPR) training and workshops to cascade vital skills and increase awareness of responsibilities under GDPR legislation.</p> <p>Services hosted in ISO 27001 accredited Orbis Data Centres.</p>	R

Ref	Strategic Risks	Pre-mitigation RAG	Risk Control / Response and Post Mitigation RAG score	Post-mitigation RAG
4	<p>HEALTH</p> <p>Failure to secure maximum value from partnership working with the National Health Service (NHS). If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.</p>	<p>R</p> <p>↔</p>	<p>Specific work in Q4 has improved Medically Ready for Discharge pathways resulting in successfully delivering against ICS targets. Modelling has also been undertaken to agree the joint commissioning of D2A beds for our system post 31st March, initially for a further month pending long term plans being agreed.</p> <p>Taking into account the recent high levels of pressure across the system and focus on the second wave of the pandemic, early review has taken place to consider how we might further develop our place-based East Sussex Integrated Care Partnership (ICP) in 2021/22, with a view to responding to the expectations and commitments set out in November 2020 by NHS England and NHS Improvement (NHSE&I) in 'Integrating Care – next steps to building strong and effective integrated care systems' and the recently published White Paper 'Integration and Innovation: Working together to improve health and social care for all'. As we move towards implementing the White Paper, our primary focus is:</p> <ul style="list-style-type: none"> •Strengthening our system capability through integrated models for commissioning and delivery of services; •The future roles and responsibilities of our ICP at place within the ICS to support successful delivery of objectives across key functional areas of transformation, delivery, assurance and planning, and; •The focus for our transformation programme and our shared priorities for service models across children and young people, mental health, community, urgent care and planned care. <p>To support this a comprehensive planning brief and milestone plan was agreed by our Health and Social Care Executive Group in January 2021, and was further considered and endorsed by the Health and Wellbeing Board on 2nd March. In addition a response to the NHSE&I consultation on 'Integrating Care' was submitted from the perspective of our Health and Wellbeing Board. The high level milestone plan sets out the further work required to iteratively develop the detailed understanding and agreement of our integration plans during 2021/22, covering the following elements:</p> <ul style="list-style-type: none"> •Our model for provider collaboration and integration to build on our progress to date focussed on our TOM for community health and social care integration, to deliver greater coordination and integration of care for people with long term and complex care needs •Our model for integrated commissioning to be progressed in partnership with our East Sussex Clinical Commissioning Group and Sussex NHS Commissioners at ICS level, as we move towards ICSs being placed on a statutory footing •Our wider integrated working in our communities in East Sussex to support population health and wellbeing and reduce health inequalities, across the full range of local government and Voluntary Community and Social Enterprise (VCSE) sector services and support that impact on the broader determinants of health 	<p>R</p> <p>↔</p>
5	<p>RECONCILING POLICY, PERFORMANCE & RESOURCES</p> <p>Ongoing uncertainty in relation to future funding levels and the longer-term local government funding regime creates a risk of insufficient resources being available to sustain service delivery at the agreed Core Offer level to meet the changing needs of the local community.</p>	<p>R</p> <p>↔</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning, which ensures a strategic corporate response to resource reductions, demographic change and regional economic challenges; and directs resources to priority areas. We take a commissioning approach to evaluating need and we consider all methods of service delivery. We work with partner organisations to deliver services and manage demand, making best use of our collective resources.</p> <p>We take a 'One Council' approach to delivering our priorities and set out our targets and objectives in the Council Plan. We monitor our progress and report it quarterly. Our plans take account of known risks and pressures, including social, economic and demographic changes and financial risks.</p> <p>The Coronavirus pandemic has had, and will continue to have for a long time, profound impacts on our communities and services. We are operating in new, changing and uncertain contexts. We will review and undertake research to track and understand the impacts. We will update and reset our performance targets, priorities, service offers and financial plans, as required, to reflect them.</p> <p>We lobby, individually and in conjunction with our networks and partners, for a sustainable funding regime for local government in general and adult social care specifically to meet the needs of the residents of East Sussex, and which recognises the significant impact of COVID-19 on the Council's expenditure and income.</p>	<p>R</p> <p>↔</p>

Ref	Strategic Risks	Pre-mitigation RAG	Risk Control / Response and Post Mitigation RAG score	Post-mitigation RAG
15	CLIMATE Failure to limit global warming to below 1.5°C above pre-industrialisation levels, which requires global net human-caused emissions of carbon dioxide (CO2) to be reduced by about 45 percent from 2010 levels by 2030, reaching 'net zero' by 2050 at the latest. The predicted impacts of climate change in East Sussex include more frequent and intense flooding, drought and episodes of extreme heat, as well as impacts from the effects of climate change overseas, such as on food supply. This will lead to an increase in heat-related deaths, particularly amongst the elderly, damage to essential infrastructure, increased cost of food, disruption to supply chains and service provision, and greater coastal erosion.	R	Climate change adaptation: we are following national adaptation advice, including working with partners on flood risk management plans, a heatwave plan and drought plans. Climate change mitigation: we are continuing to reduce the County Council's own carbon footprint, which was cut by 60% between 2008-9 and 2019-20. In response to our climate emergency declaration, our annual emissions target has been increased from 3% to 13% per year and a 5-year carbon budget has been set. This is in line with our commitment to achieve net zero carbon emissions from the County Council's own activities as soon as possible, and by 2050 at the latest. The senior officer Climate Emergency Board was established and met on the 3rd July, 5th October 2020 and 11th January 2021. Our Climate Emergency Officer has continued to work with teams across East Sussex to deliver the corporate emergency plan covering 2020-22, with an initial focus on building and travel related emissions. In quarter 4: 1) The climate emergency plan has undergone Scrutiny Review, with the report approved by full Council in February 2021. 2) Bids to the £1bn national public sector decarbonisation scheme have successfully secured grants of £478k to support delivery of the climate emergency plan. 3) A communications plan to engage Members and staff was developed during quarter 4, with Internet content and a staff newsletter published.	R
1	ROADS Wet winter weather, over recent years has caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan, and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition. COVID-19 could lead to an increase in the level of staff sickness, as well as the need for staff to self-isolate/distance. It will lead to a change in our working approach and arrangements, even beyond the length of any Government imposed lockdown.	R	The additional capital maintenance funding approved by Cabinet in recent years has enabled us to stabilise the rate of deterioration in the carriageway network and improve the condition of our principle road network. However, a large backlog of maintenance still exists and is addressed on a priority basis. The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent years' winter weather. However, severe winter weather continues to be a significant risk with the potential to have significant impact on the highway network. The winter of 2019/20 was one of the wettest on record and generated 4 times more potholes for example. The recently approved five-year capital programme for carriageways 2018/19 to 2022/23, and the six-year additional capital programme for drainage and footways 2017/18 to 2022/23 provide the ability to continue to manage condition and build resilience into the network for future winter events. Additional DfT money from 2018/2019 has supported this approach. Our contractor has adapted the service to ensure the workforce can work in a safe environment and has continued to successfully deliver the service on the ground or from home, with a full reactive service and capital programme delivered this year. Staff absence due to COVID related illness or self-isolation has remained very low and has had no significant impact on the service but clearly, in an ever-changing situation, the risk remains. As we move out of lockdown the risk is diminishing and we plan to deliver a full capital programme and service this year. East Sussex County Council staff managing the Highways contract have successfully worked from home with no impact.	A
7	SCHOOLS Impact of weak leadership in schools on outcomes for children and young people Failure to secure adequate leadership within East Sussex Schools, leading to: • reduced outcomes for children • poor Ofsted reports and reputational damage Failure to accelerate progress and improve attainment for all key groups of pupils • poor Ofsted reports • reputational damage Resulting in: • negative impacts on employability • undermining capacity for economic growth • increased pressures on services provided by social care and health.	R	Continuing to secure high-quality leadership and governance across all our schools, colleges and settings is a high priority for the SLES performance improvement plan. We will: • Work with partnership networks to provide support and challenge for the recruitment, development and performance of high-quality school leaders. • Work with the existing Academy Chains within East Sussex, to ensure appropriate solutions for schools in East Sussex. • Continue to support the East Sussex recruitment and retention strategy with a focus on leadership. • Accelerate the work to develop partnerships between schools that cannot secure adequate leadership alone and explore the options for closure of schools that are unable to deliver a high-quality education to their pupils. • Work with Teaching Schools Alliances and Education Improvement Partnerships to support the development of outstanding leaders. • Work with the primary and secondary board to implement the schools causing concern guidance. • Work with the primary board, secondary board and teaching schools to raise standards of provision, curriculum design and quality of teaching and learning in Key Stage 2 and improve outcomes in Key Stage 4. These mitigations don't take account of COVID impacts/measures.	A

Ref	Strategic Risks	Pre-mitigation RAG	Risk Control / Response and Post Mitigation RAG score	Post-mitigation RAG
8	<p>CAPITAL PROGRAMME</p> <p>Against a background of diminishing resources, the capital programme has been produced to support basic need only and as a result of this there is no resource for other investment that may benefit the County e.g. that may generate economic growth. Additionally, there is a risk, due to the complexity of formulas and factors that impact upon them, or changes in these, that the estimated Government Grants, which fund part of the programme, are significantly reduced.</p> <p>There is also a risk that the move from S106 contributions to Community Infrastructure Levy will mean that Council has reduced funding from this source as bids have to be made to Districts and Boroughs. Slippage continues to occur within the programme, which has an impact on the effective use of limited resources.</p>	<p>R</p> <p>↔</p>	<p>The Council has a Capital Strategic Asset Board (CSAB), a cross departmental group consisting of officers from each service department, finance, property and procurement to oversee the development and delivery of the capital programme. Governance arrangements continue to be reviewed and developed in support of the robust programme delivery of the basic need programme. The Education Sub Board, which in part focuses on future need for schools' places, continues to inform the CSAB of key risks and issues within the School Basic Need Programme. Regular scrutiny by the CSAB of programme and project profiles (both in year and across the life of the programme) occurs on a quarterly basis.</p> <p>The CSAB also proactively supports the seeking and management of all sources of capital funding, including; grants, S106, CIL and, Local Growth Fund monies. A cross department sub board oversees the process for bidding for CIL and the use of S106 funds, and work continues with Districts and Boroughs to maximise the Council's receipt of these limited resources. The impact of COVID-19 provides a risk to external funding that supports the capital programme, with future years capital grants and receipts estimates, CIL and S106 targets at risk of reducing. In addition, the one-year Spending Review (SR) on 25 November set government department's revenue and capital budgets for 2021/22 only, providing no certainty over future years capital grants. Officers will proactively monitor funding announcements and seek to minimise the impact on delivery of the capital programme and ensure that there is sufficient liquidity to meet funding requirements.</p> <p>A risk factor was introduced in 2019/20 to acknowledge and address the historic level of slippage in the capital programme, its impact on the financing of the capital programme, and therefore on treasury management activity. Following the creation of the 20-year capital strategy and the enhanced rigour in the building of a 10-year capital programme, this factor has not been extended to future years. CSAB will continue to monitor slippage and recommend any change should it become necessary.</p> <p>COVID-19 is impacting on the delivery of projects and programmes of work. Any slippage and/or under/overspend will be reported as part of the capital monitoring process overseen by the CSAB and as part of the normal RPPR process. The pressures and issues that COVID-19 has presented are unprecedented and has thrown many of the current planning assumptions off course. There are a number of overspends relating to COVID-19 being reported; officers will seek to minimise the adverse impact of overspends through mitigations, seeking additional funding where available and closely monitoring the impact of any additional borrowing if required.</p>	<p>A</p> <p>↔</p>
9	<p>WORKFORCE</p> <p>Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and/or reputational issues.</p> <p>An inability to attract high calibre candidates could lead to limited recruitment choices and therefore lack of the expertise, capacity, leadership and/or innovation required to deliver services and service transformation.</p>	<p>R</p> <p>↔</p>	<p>The 2020/21 Q1-4 sickness absence figure for the whole authority (excluding schools) is 7.77 days lost per FTE, a reduction of 8.3% since last year.</p> <p>Stress continues to be the primary driver of absence in Q4. Coronavirus now features as the second highest reason for absence. In response to the COVID-19 situation, a range of measures have been introduced to provide enhanced support:</p> <ul style="list-style-type: none"> • development of a Wellbeing Intranet page hosting a wealth of information with signposting to targeted resources, supported by a dedicated wellbeing campaign that has run throughout Covid-19. • provision of further 'Working Through a Pandemic' sessions, hosted by our EAP • support in virtual team meetings and 1-1 sessions from our expanding Mental Health First Aiders • the launch of a short film in March 2021 promoting the importance of keeping in touch with colleagues to help prevent feelings of isolation • release of the 'A-Z' of Wellbeing in March 2021 to improve accessibility to resources <p>Whilst it is too early to assess the full impact of COVID-19, some effects are already being felt. In the context of attraction and recruitment, the move to remote working and the opportunity for this to continue as we consider future new ways of working, has resulted in a much wider geographical pool of applicants being available to the Council. We are already seeing the effects of this with a number of our jobs receiving a high level of interest and significantly more completed applications.</p>	<p>A</p> <p>↔</p>

Ref	Strategic Risks	Pre-mitigation RAG	Risk Control / Response and Post Mitigation RAG score	Post-mitigation RAG
14	<p>Post European Union (EU) Transition The United Kingdom has left the EU with a negotiated outcome. However, there are likely to be areas of disruption, when paperwork checks on imports begin on 1st October 2021 and physical checks on imported goods begin on 1st January 2022. Key areas at risk of disruption are:</p> <ul style="list-style-type: none"> •At Newhaven Port and on the surrounding road network due to new port checks. •In business and economic activity, due to import/export administrative complexities for Small and Medium-sized Enterprises, supply chain disruption, impact of trade tariffs on consumer purchasing power, and workforce supply. •The COVID-19 pandemic response and local outbreak management. E.G. through disrupting international supply chains for Personal Protective Equipment, and •Delivery of Council Services. <p>The impact of this risk is heightened with the current requirement for hauliers to produce a negative COVID test for entry to France.</p>	R	<p>The risks have reduced until the revised implementation dates for import checks in October 2021 and January 2022. HGV traffic remains lower than usual at Newhaven and ESCC continue to monitor the situation at Newhaven and are ready to react, should disruption look likely.</p> <p>Many of the key areas at risk of disruption are already on the Strategic risk register (COVID-19 response, Local Economic Growth) or departmental risk registers and are subject to business as usual risk and business continuity management.</p> <p>The Trading Standards team are working with Environmental Health colleagues to smooth the impact of Government border policy on the capacity required to support new border enforcement arrangements at Newhaven Port. Planning will also be informed by the Government Protocol and Border Group, of which the Director of Communities, Economy and Transport is a member. These relationships will continue until the newly revised import check dates and will then be reviewed again.</p> <p>The Sussex Resilience Forum has run exercises to support multi-agency emergency planning for the implications of additional border controls.</p> <p>The Chief Executive is a representative for the South East on the Ministry of Housing, Communities and Local Government group of nine regional chief executives, which provides a direct channel of communication into the Ministry, on local and regional issues emerging from the end of the transition period.</p>	G
6	<p>LOCAL ECONOMIC GROWTH Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	A	<p>The County Council and its partners have been successful in securing significant amounts of growth funding totalling £129m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have also secured outgoing European Funding (EU) for complementary economic development programmes supporting businesses to grow, including: South East Business Boost (SEBB); Low Carbon across the South East (LoCASE); TRANSFORM Apprenticeships; South East Creative, Cultural & Digital Support Programme (SECCADS); and inward investment services for the county. We have continued to bid for further EU funding on the above projects and have secured over £4m of investments to be delivered from April 2020 for a further 3 years.</p> <p>Government issued a funding call in mid-June through the Getting Building Fund programme for pipeline projects to create jobs and deliver over the next 18 months, with East Sussex securing £11.2m on 8 projects in late July. All 8 projects were approved by SELEP in October/November and we are now confirming their grant agreements, with several already starting delivery.</p> <p>We have been actively working with partners in developing projects and submitting proposals to a number of recent funds, including the Green Homes Fund (secured a further £1m); Future High Streets (secured £5m); Stronger Towns Fund (awaiting outcome); and the SELEP COVID-19 Skills and Business Support Fund (secured £500k).</p> <p>The COVID-19 outbreak in early March 2020 is seemingly changing the funding landscape, and alongside the impacts of Brexit, is having an impact on major funding decisions from Government.</p> <p>We officially launched in September the East Sussex Economy Recovery Plan, called 'East Sussex Reset'. The plan identifies deliverable actions in the short term, alongside more aspirational asks. It has and will continue to be an important bidding document to Government and into the SELEP, with the new SELEP Recovery and Renewal Strategy approved in March 2021. Both documents will look at ways to incorporate the recent Government policy and Budget announcements (3 March 2021), that have a clear focus on the green revolution (net zero carbon reduction); the new £4bn Levelling Up Fund (LUF); and the new one year £220m UK Community Renewal Fund pilot (UKCRF), which is a precursor to the larger UK Shared Prosperity Fund officially launching in 2022. The prospectuses for both were launched in March 2021, with initial pilot monies available for bids in 2021/22. East Sussex County Council (ESCC) is the lead authority responsible for co-ordinating and appraising bids to the UKCRF by the 18 June deadline and the subsequent oversight of the schemes. On the LUF, ESCC is considering submitting a transport package, while each of the Borough and District Councils is considering bidding in this first round for town centre/regeneration and cultural investment proposals before the 18 June deadline.</p>	G

Audit Committee – Work Programme

List of Suggested Potential Future Work Topics		
Issue	Detail	Meeting Date
Audit Committee Working Groups		
Working Group Title	Subject area	Meeting Dates
To be agreed.		
Training and Development		
Title of Training/Briefing	Detail	Date
Audit Committee Induction	Induction training for all Audit Committee members to cover <ul style="list-style-type: none"> An overview of the Audit Committee's remit What to expect through the year An Introduction to Internal Audit and Counter Fraud (to include the Audit Committee's role in relation to internal audit) 	1 July 2021
PPE Valuation	Presentation by Bruton Knowles, the County Council's property and asset valuers, on the PPE (Property Plant and Equipment) valuation process, in response to a recommendation of the external auditors	TBC
Treasury Management	A briefing on the County Council's Treasury Management function	19 November 2021

Future Committee Agenda Items		Author
17 September 2021		
Review of Annual Governance Report & 2020/21 Statement of Accounts	Report of the external auditors following their audit of the Council's statutory accounts. It allows the committee to review the issues raised and assess the management response.	External Auditors/ Ian Gutsell, Chief Finance Officer
Review of Annual Pension Fund Governance Report & 2020/21 Statement of Accounts	Report of the external auditors following their audit of the Pension Fund. It allows the committee to review the issues raised and assess the management response.	External Auditors/ Ian Gutsell, Chief Finance Officer
Internal Audit Progress Report	Internal Audit Progress report – Quarter 1, 2021/22 (01/04/21 – 30/06/21)	Nigel Chilcott, Audit Manager/ Russell Banks, Chief Internal Auditor
CIPFA Financial Management Code	An update from the Chief Finance Officer	Ian Gutsell, Chief Finance Officer
Strategic Risk Management	Strategic risk monitoring report – Quarter 1, 2021/22 (01/04/21 – 30/06/21)	Phil Hall, Chief Operating Officer / Ian Gutsell, Chief Finance Officer
Committee Work Programme	Discussion of the future reports, agenda items and other work to be undertaken by the Committee.	Democratic Services Officer
19 November 2021		
Internal Audit Progress Report	Internal Audit Progress report – Quarter 2, 2021/2 (01/07/21 – 30/09/21)	Nigel Chilcott, Audit Manager/ Russell Banks, Chief Internal Auditor

Strategic Risk Management	Strategic risk monitoring report – Quarter 2, 2021/2 (01/07/21 – 30/09/21) – if timely	Phil Hall, Chief Operating Officer / Ian Gutsell, Chief Finance Officer
Treasury Management	To consider a report on the review of Treasury Management performance for 2020/21 and for outturn for the first six months of 2021/2, including the economic factors affecting performance, the Prudential Indicators and compliance with the limits set within the Treasury Management Strategy before it is presented to Cabinet.	Ian Gutsell, Chief Finance Officer
Property Asset Disposal and Investment Strategy	Consideration of an annual report on the implementation of the Property Asset Disposal and Investment Strategy.	Nigel Brown, AD Property /Tina Glen, Head of Property Operations
Committee Work Programme	Discussion of the future reports, agenda items and other work to be undertaken by the Committee.	Democratic Services Officer
Tuesday 29 March 2022		
External Audit Plan 2021/22	This report sets out in detail the work to be carried out by the Council's External Auditors on the Council's accounts for the financial year 2021/22.	Ian Gutsell, Chief Finance Officer & External Auditors
External Audit Plan for East Sussex Pension Fund 2021/22	To consider and comment upon the External Audit Plan for the East Sussex Pension Fund for the financial year 2021/22.	Ian Gutsell, Chief Finance Officer & External Auditors
Internal Audit Strategy and Plan	Consideration of the Internal Audit Strategy and Plan for 2022/23	Russell Banks, Chief Internal Auditor/ Nigel Chilcott, Audit Manager
Annual Audit Letter	To consider the Annual Audit letter and fee update from the External Auditor	Ian Gutsell, Chief Finance Officer
Internal Audit Progress Report	Internal Audit Progress report – Quarter 3, 2021/22 (01/10/21 – 31/12/21)	Nigel Chilcott, Audit Manager/Russell Banks, Chief Internal Auditor

Strategic Risk Monitoring	Strategic risk monitoring report – Quarter 3, 2021/22 (01/10/21 – 31/12/21)	Phil Hall, Chief Operating Officer / Ian Gutsell, Chief Finance Officer
Committee Work Programme	Discussion of the future reports, agenda items and other work to be undertaken by the Committee.	Democratic Services Officer
8 July 2022		
Assessment of the Corporate Governance Framework and Annual Governance Statement for 2021/22	Sets out an assessment of the effectiveness of the Council's governance arrangements and includes an improvement plan for the coming year, and the annual governance statement (AGS) which will form part of the statement of accounts.	Philip Baker, Assistant Chief Executive
Internal Audit Services Annual Report and Opinion 2021/22	An overall opinion on the Council's framework of internal control, summarises the main audit findings and performance against key indicators (includes Internal Audit Progress reports – Quarter 4, 2021/22, (01/01/22 – 31/03/22).	Nigel Chilcott, Audit Manager/Russell Banks, Chief Internal Auditor
Strategic Risk Monitoring	Strategic risk monitoring report – Quarter 4, 2021/22 (01/01/22 – 31/03/22)	Phil Hall, Chief Operating Officer / Ian Gutsell, Chief Finance Officer
Committee Work Programme	Discussion of the future reports, agenda items and other work to be undertaken by the Committee.	Democratic Services Officer