



**Resources Department
Town Hall, Upper Street, London, N1 2UD**

AGENDA FOR THE AUDIT COMMITTEE AND AUDIT COMMITTEE (ADVISORY)

Members of the Audit Committee and Audit Committee (Advisory) are summoned to a meeting to be held **in the Council Chamber at Islington Town Hall, Upper Street, London N1 2UD, on 25 May 2021 at 7.00 pm.**

Linzi Roberts-Egan
Chief Executive

Enquiries to : Mary Green
Tel : 020 7527 3005
E-mail : democracy@islington.gov.uk
Despatched : 17 May 2021

Membership

Substitute Members

Councillor Membership to be confirmed
at Annual Council on 20 May 2021

Alan Begg (Independent member)
Alan Finch (Independent member)

Quorum: is 3 Councillors



A. Formal Matters

Page

1. Apologies for absence
2. Declaration of substitute members
3. Declarations of interest

If you have a **Disclosable Pecuniary Interest*** in an item of business:

- if it is not yet on the council's register, you **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent;
- you may **choose** to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency.

In both the above cases, you **must** leave the room without participating in discussion of the item.

If you have a **personal** interest in an item of business **and** you intend to speak or vote on the item you **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent but you **may** participate in the discussion and vote on the item.

***(a) Employment, etc** - Any employment, office, trade, profession or vocation carried on for profit or gain.

(b) Sponsorship - Any payment or other financial benefit in respect of your expenses in carrying out duties as a member, or of your election; including from a trade union.

(c) Contracts - Any current contract for goods, services or works, between you or your partner (or a body in which one of you has a beneficial interest) and the council.

(d) Land - Any beneficial interest in land which is within the council's area.

(e) Licences- Any licence to occupy land in the council's area for a month or longer.

(f) Corporate tenancies - Any tenancy between the council and a body in which you or your partner have a beneficial interest.

(g) Securities - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

This applies to **all** members present at the meeting.

4. Minutes of previous meeting 1 - 6
5. Appointments to Pensions Sub-Committee, Pensions Board and Personnel Sub-Committee (to follow) -

B. Items for Decision

- | | | |
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| 1. | 2021-22 Internal Audit Plan | 7 - 30 |
| 2. | Principal Risk Report | 31 - 86 |
| 3. | Cyber security | 87 - 90 |
| 4. | Updated External Audit Report | 91 - 124 |

C. Urgent non-exempt items

Any non-exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

D. Exclusion of press and public

To consider whether, in view of the nature of the remaining item on the agenda, it is likely to involve the disclosure of exempt or confidential information within the terms of the Access to Information procedure rules in the Constitution and, if so, whether to exclude the press and public during discussion thereof.

E. Confidential/exempt items

- | | | |
|----|----------------------------------|-----------|
| 1. | Cyber security - exempt appendix | 125 - 128 |
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F. Urgent exempt items (if any)

Any exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

The next meeting of the Audit Committee and Audit Committee (Advisory) will be on 26 July 2021

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London Borough of Islington

Audit Committee and Audit Committee (Advisory) - 16 March 2021

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held via Zoom on 16 March 2021 at 7.00 pm.

Present: Councillors: Nick Wayne (Chair), Andy Hull (Vice-Chair), Troy Gallagher and Anjna Khurana

Independent members:

Alan Begg and Alan Finch

Observer:

Councillor Satnam Gill

Councillor Nick Wayne in the Chair

200 APOLOGIES FOR ABSENCE (Item A1)

None.

201 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

None.

202 DECLARATIONS OF INTEREST (Item A3)

Alan Finch, Independent Member, declared a personal, non-prejudicial interest in the agenda items, insofar as he was an employee of the Local Government Association (LGA) and involved in liaison between the LGA and its wholly-owned subsidiary, Public Sector Appointments Ltd (PSAA). PSAA had appointed Grant Thornton as auditor to Islington Council. Mr Finch had had no involvement in the appointment of auditors, or in the supervision of audit contracts, which was solely the responsibility of PSAA.

203 MINUTES OF PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting held on 25 January 2021 be confirmed as a correct record of proceedings and the Chair be authorised to sign them.

204 APPOINTMENTS TO PENSIONS BOARD AND PERSONNEL SUB-COMMITTEE (Item A5)

RESOLVED:

(a) That Councillor Michelline Safi-Ngongo be appointed as a substitute member on the Personnel Sub-Committee for the municipal year 2020/21, or until a successor is appointed.

(b) That Councillor Richard Watts be appointed as a member and Chair of the Pensions Board, to replace Councillor Paul Smith, for the municipal year 2020/21, or until a successor is appointed.

205 **EXTERNAL AUDITOR REPORTS (Item B1)**

The Chair informed all present that, as in previous years, members of the Committee and the Independent Members had met with representatives from Grant Thornton as an opportunity to raise matters arising from their reports in private.

Representatives from Grant Thornton presented their Annual Audit Letter for the year ending 31 March 2020 and audit plan for the external audit of the Council and the Pension Fund for 2020/21. The documents provided also included a summary of the changes being implemented in the way the Value for Money audit was performed and a document summarising management responses to the enquiries raised with the Council as part of the audit planning process.

A range of questions were asked by members of the Committee, including financial resilience in budget planning, debt collection risk and whether there were any problems associated with the Council's new income system. A representative from Grant Thornton confirmed that financial resilience was considered when looking at the budget planning, including the availability of reserves. Debt collection was considered a business risk, rather than an audit risk. The Director of Finance confirmed that the Council's income system was high quality and would minimise risk.

Members also asked whether a full inventory of the Council's property and assets was yet available. The Committee noted, in response, the explanation that the issues associated with this were complex, but the situation was improving. Councillor Gill suggested that it might be helpful for him to circulate to members of the Committee a response he had sent to a recent enquirer about the Council's property register, detailing assets.

RESOLVED:

- (a) That the summary of the General Enquiries of Management, attached as Appendix 4 to the report of the Corporate Director of Resources, be noted and the External Audit Plan for the Council and Pension Fund for the year ending 31 March 2021, also attached to the report, be approved.
- (b) That the Annual Audit Letter and Value for Money slides, attached as Appendices 1 and 2 to the report, be noted.
- (c) That it be noted that Grant Thornton would provide a response to members of the Committee on a question raised by Councillor Khurana on a suggested effective date for improvement to journal procedures to minimise risk.
- (d) That representatives from Grant Thornton be thanked for their attendance and participation in discussion on this agenda item.

206 **RISK MANAGEMENT UPDATE - FEBRUARY 2021 (Item B2)**

In response to questions from members, it was noted that, given the uncertainty of the ongoing impact of the Covid pandemic into 2021/22, the situation was

monitored daily but there had been no significant changes since the information in the report had been produced. Members would be kept up to date on the situation. The biggest risk to the Council was business rates income not being achieved.

RESOLVED:

That the contents of the report of the Corporate Director of Finance, detailing key activity since the last comprehensive Principal Risk Report to Committee in September 2020 and the previous Risk Management Update presented to Committee in January 2021, be noted.

207 INTERNAL AUDIT UPDATE - FEBRUARY 2021 (Item B3)

RESOLVED:

That the contents of the report of the Corporate Director of Resources, providing an update on key activity since the Internal Audit Interim Annual Report, considered by the Committee on 25 January 2021, be noted.

208 REVOCATION OF EXIT PAYMENT REGULATIONS (Item B4)

Members discussed the question of whether significant payments made to officers in terms of their employment should be approved by the Audit Committee, or the Personnel Sub-Committee. It was noted that pension strain could have a significant impact on those payments.

It was agreed that all payments in excess of £100k in total (including pension strain and statutory entitlements) should be recorded and reported to a Committee. Councillors Wayne, Khurana and Gallagher would meet to discuss the precise mechanism and to review generally how the Personnel Sub-Committee was working and its relationship to the parent Audit Committee.

In addition, Councillor Wayne suggested that it would be useful for the Chairs of the Personnel and Pensions Sub-Committees to submit an annual report to the Audit Committee to provide overarching supervision.

RESOLVED:

(a) That the revocation of the Restriction of Public Sector Exit Payments Regulations 2020, detailed in the report of the Corporate Director of Resources, be noted.

(b) That it be noted that any decisions relating to enacting the new provisions during the period since the Cap was introduced were no longer relevant and changes to the Council's redundancy procedures to allow that flexibility were not required

(c) That it be noted that the Council was complying with the HMT Directions in ensuring that affected staff received all sums that had not, or would not, have been paid as a result of the application of the 2020 Regulations

(d) That it be noted that Councillor Wayne would meet with Councillors Khurana and Gallagher to discuss the mechanism for approval and reporting of exit payments.

209 **WHISTLEBLOWING REPORT - 1 APRIL 2020 TO 31 JANUARY 2021 (Item B5)**

The Committee noted that a comprehensive guidance note had been produced for Council managers in the past year setting out how complaints should be handled, including the differentiation between whistleblowing complaints and workplace complaints.

RESOLVED:

That the contents of the report of the Corporate Director of Resources, providing details of whistleblowing referrals made between 1 April 2020 and 31 January 2021, be noted.

210 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That the press and public be excluded during consideration of the following items as the presence of members of the public and press would result in the disclosure of exempt information within the terms of Schedule 12A of the Local Government Act 1972, for the reasons indicated:

	<u>Title</u>	<u>Reasons for exemption</u>
<u>Agenda item E1</u>	Whistleblowing report - 1 April 2020 to 31 January 2021 - exempt appendix	Categories 1,2 and 7–
<u>Agenda item E2</u>	Revocation of Exit Payment Regulations - exempt appendix	Categories 1 and 2

211 **WHISTLEBLOWING REPORT - 1 APRIL 2020 TO 31 JANUARY 2021 - EXEMPT APPENDIX (Item E1)**

The Committee thanked officers from Environment and Regeneration for their attendance at this meeting and for their responses to issues raised by members around particular complaints concerning the Parking Service.

RESOLVED:

That the contents of the exempt appendix be noted.

212 **REVOCATION OF EXIT PAYMENT REGULATIONS - EXEMPT APPENDIX**

(Item E2)

RESOLVED:

That the contents of the exempt appendix be noted.

213 **ANY OTHER BUSINESS (Item)**

Noting that this would be the final meeting at Islington Council for Sarah Burston, the Council's Risk Manager, the Chair, on behalf of the Committee, thanked her for all of her valuable work and wished her well for the future.

The meeting ended at 9.00 pm

CHAIR

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Report of: Corporate Director of Resources

Meeting of: Audit Committee	Date: 25 th May 2021	Ward(s): All
Delete as appropriate		Non-exempt

SUBJECT: 2021-22 Internal Audit Plan

1. Synopsis

- 1.1. The provision of a continuous internal audit service provides independent and objective assurance on the control environment that supports the delivery of the Council's objectives.
- 1.2. The report outlines the draft 2021-22 Internal Audit Plan. It also includes an assurance map which maps recent and planned audit activity to each of the Council's principal risks.

2. Recommendations

- 2.1. Committee is asked to approve the 2021-22 Internal Audit plan.

3. Background

- 3.1. The Council has a statutory duty to maintain an adequate and effective internal audit function. The Internal Audit, Investigations and Risk Management service provides this function.
- 3.2. Our primary objective is to offer the Council (via the Audit Committee), an independent and objective appraisal of whether objectives are being met. We also provide advice and guidance to management on risk and control issues within individual processes. We aim to achieve this through a planned programme of work based on an annual assessment of the principal risks facing the Council.
- 3.3. The draft plan attached at Appendix 1 details the work to be undertaken by the Internal Audit in 2021-22 to deliver this objective.
- 3.4. In 2021-22, the audit plan will need to be particularly flexible to provide most value to services that are undergoing significant levels of change. To this end, while Internal Audit will deliver a

risk based annual plan, we will also remain responsive to the needs of auditees and wider-stakeholders and will continue to provide ad hoc control advice and support where required.

4. Internal Audit plan - preparation and consultation

- 4.1. The 2021-22 plan was drafted from a number of sources including the Council's principal risk report, an Internal Audit risk assessment, audit plans of other local authorities, intelligence from previous audits/fraud investigations, and CIPFA good governance guidelines. The Internal Audit risk assessment to arrive at the plan is as follows:
- The Council's principal risks were evaluated to assess the extent of assurance activity against them in the last three years and any planned follow up activity (see Appendix 2);
 - Any gaps in assurance were identified and audit or advisory activity was proposed to ensure Internal Audit coverage;
 - Plans for each directorate were discussed and approved at Directorate Management Teams in March 2021;
 - The cross-cutting plan and assurance map was noted at Directorate Management Teams in March 2021; and
 - The consolidated plan was agreed by the Corporate Management Board in April 2021.
- 4.2. Based on the evaluation of risks and the body of work carried out over the three years between 2018-19 and 2020-21, the 2021-22 plan includes a number of extended follow ups to provide continued assurance on principal risks.

5. Internal Audit plan - delivery

- 5.1. The annual plan has been drawn up to address the statutory requirements and key risks for the Council, taking into account the available resources within the Internal Audit service. Changes to the annual plan may be necessary during the year to reflect changing risks.
- 5.2. The 2021-22 Internal Audit plan will deliver c.880 audit days, including a contingency of c.100 days to cover urgent and unplanned reviews arising during the year. A portion of the plan (c.185 days) will be delivered by our co-sourced partner.

6. Follow up audits

- 6.1. As reported to Audit Committee in January 2021, a Controls Board has been set up to facilitate an ongoing dialogue between Internal Audit and Directorate Management Teams (DMTs). The Board focusses on the progress of the Internal Audit plan, emerging assurance themes, monitoring of audit actions arising from internal and external audit work, proactive advisory work and escalation of areas of concern. The Director of Finance chairs the Controls Board and its members include Internal Audit and representatives (Control Leads) from all directorates. A key activity that Control Leads have been tasked with since inception of the Board, is to report the status of implementation of audit recommendations to the Board.
- 6.2. For 2021-22, we have revised the approach to following up audit recommendations. Internal Audit will focus on following up those recommendations which present the highest risk to the Council. We will follow up all critical and high priority recommendations, and medium priority recommendations in areas where the inherent risk is high. The remaining recommendations will be tracked at a directorate level and implementation status will be reported to Controls Board. Responsibility for following up all recommendations from establishment reviews

(schools, Tenant Management Organisations and voluntary sector organisations) will sit within the relevant directorates except where critical priority findings are identified. Internal audit will offer ongoing support to directorates to support robust action monitoring and decision-making on the closure of audit actions. Internal Audit will, if necessary, pick up any follow up activity where directorates have been unable to reach a conclusion due to complexity or systems change.

- 6.3. Only extended follow up audits will be reported on using memoranda. All other recommendations will be followed up in the quarter after recommendations become due. Outcomes of follow up activity will be reported to Audit Committee bi-annually within the Internal Audit Annual Report and the Interim Internal Audit Annual Report.

7. Implications

7.1. Financial implications:

The programme of work has been met from within the existing Internal Audit budget. The financial implications of individual audit recommendations are met by local budgets.

7.2. Legal implications:

There are no legal implications arising from this report. Legal advice and support will be provided, where necessary, in relation to individual risks.

7.3. Environmental implications:

There are no environmental implications arising from the recommendations in this report.

7.4. Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

8. Reason for recommendations

- 8.1. To agree the draft 2021-22 Internal Audit Plan.

Appendices:

Appendix 1 – 2021-22 Internal Audit Plan

Appendix 2 – Assurance Map

Final report clearance:

Signed by: David Hodgkinson – Corporate Director of Resources

Date:



Report Author: Nasreen Khan, Head of Internal Audit, Investigations and Risk Management
020 7974 2211

Tel:

Email: Nasreen.Khan@islington.gov.uk

Financial Implications Author: Paul Clarke, Director of Finance

Tel: 020 7527 5636

Email: Paul.Clarke@islington.gov.uk

Legal Implications Author: Rob Willis, Chief Corporate and Commercial Litigation Lawyer

Tel: 020 7527 3302

Email: Robert.Willis@islington.gov.uk

REPORT ENDS

APPENDIX 1: 2021-22 DRAFT INTERNAL AUDIT PLAN

An * next to the audit title indicates that the proposed activity relates to a principal risk (see assurance mapping at **Appendix 2**).

Ref	Audit title	Indicative scope	Planned quarter	Planned days
A. CORPORATE / CROSS-CUTTING				
CC21-1	Risk management – assurance mapping	Internal Audit input into assurance mapping for principal risks. This will support the activity of the Council’s risk management function.	Q3	20
CC21-2	Serious fraudulent activity *	Internal Audit input into reactive investigations to be undertaken in-year. This will support the activity of the Council’s corporate investigations team as needed.	All	20
CC21-3	Annual governance statement and audit plan production	Preparation of the Council’s Annual Governance Statement and audit plan.	Q1 and Q4	10
CC21-4	Controls Board	Internal Audit input into Controls Board workplan and support for directorate representatives.	All	25
FWU21-5	Programme Management Office (PMO) *	Extended follow up of audit recommendations arising from the 2020-21 review of PMO (CC20-2). The audit scope looked at the redesign of the Council’s Programme Management Office (PMO) and conducted project health checks across a sample of three programmes (one each in Housing, Environment and Regeneration and People).	Q3	20
FWU21-2 21-3 21-9 21-10	Follow ups of outstanding high priority actions from prior year audits *	Follow up of audit recommendations arising from the following reviews: <ul style="list-style-type: none"> FWU19-2: Landlord duty of care – Fire Risk Assessments (second follow up) CC20-1: Landlord duty of care – lifts CC20-3: Financial strategy/Covid financial impact 	To be confirmed based on action due dates	31

21-11		<ul style="list-style-type: none"> • CC20-4: Capital programmes • CC20-6: Contract management 20/21 		
FWU21-TBC	Follow ups of 2021-22 audits in year *	As follow ups tend to take place one full quarter from finalisation of the review (e.g. follow ups of Q2 audits will not usually take place earlier than Q4), and minimal Q1 audit activity is planned due to the timing of approval of the audit plan, an assumption has been made that 1/3 of planned 2021-22 audits will be followed up in year, with the remainder followed up in 2022-23.	Q3/4	68
Total Cross-Cutting days				194

Ref	Audit title	Indicative scope	Planned quarter	Planned days
B. RESOURCES				
FR21-1	Key Financial Systems (KFS)	<p>Review of key financial systems. We created an in-depth map of key financial controls in four areas during 2020-21 (FR20-1):</p> <ul style="list-style-type: none"> • Accounts Payable; • Income; • Treasury; and • Payroll. <p>We then assessed whether the design of controls is theoretically sufficient to mitigate risks. Work in 2021-22 will include an update of this control design assessment to ensure that the KFS controls map for these areas remains current. The map will inform the choice of controls we target in 2021-22 to test whether they are operating effectively. The KFS review areas for 2021-22 will also include Pensions.</p>	Q2/3	70

FR21-2	Access controls and rights *	An extended audit into access controls and rights for key business applications and processes, based on data security risks identified around the appropriateness of the approvals process.	Q1/2	30
FR21-3	Business transformation *	A risk based review to provide assurance against this area of principal risk. The scope will be refined/agreed in year.	Q4	20
FR21-4	Covid-19 grant certification *	Ad hoc reviews of Covid-related grants to verify that they are being administered in accordance with grant conditions.	All	20
FR21-5	Challenging Inequality Programme *	A risk based review of the Challenging Inequality Programme to verify that the framework's design supports the Council's ambition to meet the Equalities Gold Standard. The audit will provide assurance against the Diversity and Inclusion and the Social Inequalities principal risks.	Q2	20
FWU21-27	Gifts and hospitality and declarations of interest *	Extended follow up of audit recommendations arising from the previous review of Gifts and hospitality and declarations of interest (CC17-10). Audit findings related to: <ul style="list-style-type: none"> • Policy and guidance; • Register of declarations of interest; • Gifts and hospitality register; • Contract standing orders and documentation (consultants); and Contract standing orders and documentation (agency staff).	Q1	6
FWU21-34	Right to work vetting arrangements *	Extended follow up of audit recommendations arising from the 2019-20 review of Right to work vetting arrangements (FR19-2). Audit findings related to: <ul style="list-style-type: none"> • Visa end dates; • Right to work status of agency staff; • Policies and protocols; • HR risk register; and 	Q1	8

		<ul style="list-style-type: none"> • EU exit preparation – agency and Council. 		
FWU 21-12 21-13 21-16 21-17 21-18 21-22 21-32	Follow ups of outstanding high priority actions from prior year audits *	<p>Follow up of audit recommendations arising from the following reviews:</p> <ul style="list-style-type: none"> • FR20-2: IT application review – CivicaPay • FR20-5: Use of contingent workers • FWU20-17: Capital expenditure (second follow up) • FWU20-40: Continuous audit monitoring (second follow up) • FWU20-33: Cyber security (second follow up) • FWU20-5: Payroll (second follow up) • FWU20-36: Symology (second follow up) 	To be confirmed based on action due dates.	37 7
Total Resources days				218

Ref	Audit title	Indicative scope	Planned quarter	Planned days
C. PEOPLE				
PS21-1	High needs/SEN children's placements *	Brought forward from 2020-21 plan. Risk based review of controls in place around high-needs/SEN children's placements. Scope to include monitoring and reporting of high cost care placements / packages.	Q2	20
PS21-2	Schools establishment reviews	Risk based review of seven schools/children's centres. These reviews do not directly align to a principal risk, and are part a rolling programme of assurance for schools which operates on a cyclical basis. The programme assesses the effectiveness of school governance mechanisms and financial practices.	Q1-3	84
PS21-3	Troubled families	Audit review and sign off of compliance with requirements within Memorandum of Understanding between the Council and MHCLG covering funding from MHCLG's Troubled Families programme.	Q4	10

FWU21-31	Direct payments *	<p>Extended follow up of audit recommendations arising from the 2019-20 review of Direct payments (PS19-5). Audit findings related to:</p> <ul style="list-style-type: none"> • Transfers from pre-paid cards • Ordering pre-paid cards • Financial monitoring • Governance arrangements – risk-based reviews of spend • Direct payment agreements • Deceased individuals 	Q1	7
FWU 21-4 21-8 21-14 21-21 21-26 21-30	Follow ups of outstanding high priority actions from prior year audits *	<p>Follow up of audit recommendations arising from the following reviews:</p> <ul style="list-style-type: none"> • PS20-3: Adult social care provider failure • AD20-1: Troubled Families programme 2020-21 • PS20-2: Safeguarding adults • PS20-7: Domestic violence • FWU20-10: Placement commissioning 16-17 year olds (second follow up) • FWU20-4: SEN transport (second follow up) 	To be confirmed based on action due dates.	30
Total People days				151

Ref	Audit title	Indicative scope	Planned quarter	Planned days
D. ENVIRONMENT AND REGENERATION				
FWU21 -6	Parking services *	<p>Extended follow up of audit recommendations arising from the 2020-21 review of Parking Services (ER20-3). Audit findings related to:</p> <ul style="list-style-type: none"> • Debt recovery process • Cancelled Penalty Charge Notices (PCNs) • Spot checks on enforcement decisions • Contract management of debt enforcement agents • Governance arrangements – roles and responsibilities • Policies and procedures • Risk management • Oversight of written off PCNs • Appeal response times • Reconciliations 	Q2	13
FWU 21-7 21-15 21-36 21-37	Follow ups of outstanding high priority actions from prior year audits *	<p>Follow up of audit recommendations arising from the following reviews:</p> <ul style="list-style-type: none"> • ER18-5: Greenspace income • FWU20-20: Blue badges (second follow up) • AD20-2: Commercial waste recovery plan • AD20-3: People-friendly streets 	To be confirmed based on action due dates.	21
Total Environment and Regeneration days				34

Ref	Audit title	Indicative scope	Planned quarter	Planned days
E. HOUSING				
HOU21-1	Tenant Management Organisation (TMO) monitoring arrangements *	A review of Council processes for monitoring TMO activity and governance arrangements. This will take into account whether monitoring activity is sufficient in light of the increased responsibilities for councils introduced in the 2021 Housing White Paper.	Q1	16
HOU21-2	Tenant Management Organisation (TMO) establishment reviews *	Risk based review of five TMOs. These reviews are part a rolling programme of assurance for TMOs which operates on a cyclical basis. The programme assesses the effectiveness of governance mechanisms and financial practices.	Q2	11
			Q2	11
			Q3	11
			Q3	11
HOU21-3	Voluntary Sector Organisation (VSO) – Highbury Roundhouse	Risk based review of one VSO. These reviews do not directly align to a principal risk, and are part a rolling programme of assurance for VSOs which operates on a cyclical basis.	Q3	20
FWU21-24	HomeBuild *	Extended follow up on audit recommendations arising from the 2020-21 review of HomeBuild (HOU20-1). Audit findings related to: <ul style="list-style-type: none"> • Financial governance • Risk management • Change control • Quality management 	Q1	7
FWU 21-1 21-19 21-23	Follow ups of outstanding high priority actions from prior year audits *	Follow up of audit recommendations arising from the following reviews: <ul style="list-style-type: none"> • HASS19-6: Housing Revenue Account • FWU20-21: Housing voids (second follow up) • HOU20-5: Health and safety – asbestos 	To be confirmed based on	20

21-25 21-29		<ul style="list-style-type: none"> • HASS17-2: Annual service charges • FWU20-14: Rent income and recovery (second follow up) 	action due dates.	
Total Housing days				118

Ref	Audit title	Indicative scope	Planned Quarter	Planned days
F. COMMUNITY WEALTH BUILDING				
CWB21-1	Local business resilience *	A risk based review to provide assurance against this area of principal risk. The scope will be refined/agreed in year.	Q3	20
CWB21-2	Financial resilience of residents *	A risk based review to provide assurance against this area of principal risk. The scope will be refined/agreed in year.	Q2	20
FWU21-33	S106 *	Extended follow up of audit recommendations arising from the 2019-20 review of S106 (ER19-4). Audit findings related to: <ul style="list-style-type: none"> • Evidence of approval • Policies and procedures • Borough Investment Panel terms of reference • Expenditure of funding allocation 	Q1	7
FWU21-20	Follow ups of outstanding high priority actions from prior year audits *	Follow up of audit recommendations arising from the following reviews: <ul style="list-style-type: none"> • CC20-5: Information governance – records management (second follow up) 	To be confirmed based on action due dates.	3
Total Community Wealth Building days				50

Ref	Audit title	Indicative scope	Planned Quarter	Planned days
G. PUBLIC HEALTH				
PH21-1	Health and social care integration and Covid-19 outbreak control *	A Public Health audit is carried out annually to provide assurance against this area of principal risk. Responsibility for carrying out these audits alternates between the Internal Audit teams at Islington and Camden. The audit will provide assurance against the Health and Social Care Integration and the Covid-19 Outbreak Control principal risks by assessing public health performance relating to Covid-19.	Q4	20
FWU21-28	Follow ups of outstanding high priority actions from prior year audits *	Follow up of audit recommendations arising from the following reviews: <ul style="list-style-type: none"> FWU20-41: Public health (second follow up) 	To be confirmed based on action due dates.	3
Total Public Health days				23

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APPENDIX 2: ASSURANCE MAP

Risk title	Corporate Management Board (CMB) Risk Sponsor	Internal Audit Coverage (from 2018-19 to 2020-21)	2021-22 Planned Internal Audit Coverage
Covid-19 outbreak control	J O'Sullivan	None - new risk.	Resource included on 2021-22 Public Health plan for assurance in this area (Public health - PH21-1).
External funding uncertainty	D Hodgkinson	2020-21: Financial strategy (CC20-3), due to complete in Q4 of 2020-21 recognised this risk within its Terms of Reference.	Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Financial strategy - FWU21-9).
Increasing outstanding debt	D Hodgkinson	2018-19: Rent income and recovery (HASS18-3) - moderate assurance - completed August 2019. 2020-21: Rent income and recovery follow up (FWU20-14) - completed October 2020. 2020-21: Financial controls mapping – income (FR20-1) - due to report in Q4 20-21.	Resource included in the Resources plan for assurance in this area (Key Financial Systems - FR21-1). Resource included on 2021-22 Housing plan for follow up work in this area (Rent income and recovery – FWU21-29).
Covid-19 impact (public realm)	K Townsend	2019-20: Parking services (ER19-2) - limited assurance - completed November 2020. 2020-21: investigations work relating to whistleblowing/PCNs	Resource included on 2021-22 Environment and Regeneration plan for follow up work in this area (Parking services – FWU21-6, Blue badges –

		2020-21: People Friendly Streets (AD20-2) - due to report in Q4 20-21.	FWU21-15 and People-friendly streets – FWU21-37).
Decline in local business resilience	S Biggs	None - new risk.	Resource included on 2021-22 Community Wealth Building plan for assurance in this area (Local business resilience – CWB21-1).
Youth crime and serious youth violence	C Littleton	2020-21: Youth crime (PS20-1) - moderate assurance - completed January 2021.	Based on moderate assurance rating, no Internal Audit work is planned in this area in 2021-22.
Financial resilience of residents	M Holdsworth / S Biggs	2018-19: Rent income and recovery (HASS18-3) - moderate assurance - completed August 2019. 2020-21: Rent income and recovery follow up (FWU20-14) - completed October 2020.	Resource included on 2021-22 Community Wealth Building plan for assurance in this area (Financial resilience of residents – CWB21-2).
Housing delivery test	K Townsend / M Holdsworth	2019-20: S106 (ER19-4) – moderate assurance – completed July 2020. 2020-21: HomeBuild (HOU20-1) - moderate assurance - completed December 2020.	Resource included on 2021-22 Community Wealth Building plan for follow up work in this area (S106 – FWU21-33). Resource included on 2021-22 Housing plan for follow up work in this area (HomeBuild – FWU21-24).
Leisure provision closure	K Townsend	None - new risk.	Based on discussion with management, there is significant independent external scrutiny in this area across London. As such, no assurance work is

			currently planned for 2021-22. This will be kept under review.
Safeguarding children	C Littleton	<p>2019-20: Placement commissioning 16-17 year olds (CS19-1) - limited assurance - completed June 2019.</p> <p>2020-21 SEN transport follow up (FWU20-4) - completed</p> <p>2020-21: Placement commissioning 16-17 year olds follow up (FWU20-10) - completed December 2020.</p>	<p>Resource included on 2021-22 People plan for assurance in this area (High needs/SEN children's placements – PS21-1).</p> <p>Resource included on 2021-22 People plan for follow up work in this area (Placement commissioning 16-17 year olds – FWU21-10 and SEN transport – FWU21-30).</p> <p>External assurance is in place in this area through regular Ofsted inspections.</p>
Covid-19 financial impact	D Hodgkinson	<p>2020-21: Housing Revenue Account (FR19-7) – moderate assurance – completed November 2020.</p> <p>2020-21: Financial strategy (CC20-3), due to complete in Q4 of 2020-21 recognised this risk within its Terms of Reference.</p> <p>2020-21: Commercial waste recovery plan (AD20-2) - due to report in Q4 20-21.</p>	<p>Resource included on 2021-22 Resources plan for assurance in this area (Covid-19 grant certification - FR21-4).</p> <p>Resource included on 2021-22 Housing plan for follow up work in this area (Housing Revenue Account – FWU21-1).</p> <p>Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Financial strategy - FWU21-9).</p>

			Resource included on 2021-22 Environment and Regeneration plan for follow up work in this area (Commercial waste recovery plan – FWU21-36).
Cyber and data security	D Hodgkinson	2019-20: Cyber security (CC19-4) - moderate assurance - completed July 2020. 2020-21: Cyber security follow up (FWU20-33) due to report in Q4 20-21.	Resource included on 2021-22 Resources plan for assurance in this area (Access controls and rights - FR21-2). Resource included on 2021-22 Resources plan for follow up work in this area (Cyber security – FWU21-18).
Diversity and inclusion	D Hodgkinson	None - new risk.	Resource included on 2021-22 Resources plan for assurance in this area (Challenging Inequality Programme - FR21-5).
Social inequalities	A Buxton-Jennings	None - new risk.	Resource included on 2021-22 Resources plan for assurance in this area (Challenging Inequality Programme - FR21-5).
Serious information breach or non-compliance with legislation	D Hodgkinson	2018-19: Information governance - records management (CC18-5) - moderate assurance - completed October 2019. 2020-21: Information governance - records management follow up (CC20-5) - due to report in Q4 20-21.	Resource included on 2021-22 Community Wealth Building plan for follow up work in this area (Information governance - records management – FWU21-20).

Response and resilience	K Townsend	2019-20: Emergency planning (ER19-3) - moderate assurance - completed August 2020. 2020-21: Business continuity planning lessons learned exercise (ER20-4) - due to report in Q4 20-21.	Based on moderate assurance rating and extensive live testing of business continuity arrangements due to Covid-19 no Internal Audit work is planned in this area in 2021-22.
Safeguarding adults	C Littleton	2018-19: Mental health safeguarding (HASS18-2) - completed July 2020. 2019-20: Direct payments (PS19-5) - limited assurance - completed August 2020. 2020-21: Safeguarding adults (PS20-2) - due to report in Q4 20-21. 2020-21: Mental health safeguarding follow up (FWU20-15) - due to report in Q4 20-21.	Resource included on 2021-22 People plan for follow up work in this area (Safeguarding adults - FWU21-14 and Direct payments - FWU21-31).
New homes programme	M Holdsworth	2020-21: HomeBuild (HOU20-1) - moderate assurance - completed December 2020.	Resource included on 2021-22 Housing plan for follow up work in this area (HomeBuild – FWU21-24).
Social care market instability	C Littleton	2020-21: Adult social care provider failure follow up (PS20-3) - due to report in Q4 20-21. 2020-21: Contract management (CC20-6) - due to report in Q4 20-21 - includes a review of domiciliary care contracts and	Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Contract management – FWU21-11). Resource included on 2021-22 People plan for follow up work in this area

		business continuity arrangements for those.	(Adult social care provider failure – FWU21-4).
Delivering Net Zero Carbon	K Townsend	2020-21: People Friendly Streets (AD20-2) - due to report in Q4 20-21.	Resource included on 2021-22 Environment and Regeneration plan for follow up work in this area (People-friendly streets – FWU21-37).
Contract management	S Biggs	2018-19: Procurement (FR18-4) - moderate assurance - completed December 2019. 2020-21: Procurement follow up (FWU20-16) - completed August 2020. 2020-21: Contract management follow up (FWU20-6) - completed September 2020. 2020-21: Contract management (CC20-6) - due to report in Q4 20-21.	Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Contract management – FWU21-11).
Health and social care integration	C Littleton	2019-20: Public health (PH18-1) - moderate assurance - completed October 2019. 2020-21: Public health follow up (FWU20-41) - due to report in Q4 20-21.	Resource included on 2021-22 Public Health plan for assurance in this area (Public health – PH21-1). Resource included on 2021-22 Public Health plan for assurance in this area (Public health – FWU21-8).
School viability and place planning	C Littleton	None - new risk.	No assurance activity is planned for 2021-22. The effectiveness of school governance mechanisms is verified as part of schools establishment reviews

			(PS21-2) and Ofsted provides external assurance inspections in this area.
Compounded pupil attainment gap	C Littleton	None - new risk.	No assurance activity is planned for 2021-22. The effectiveness of school governance mechanisms is verified as part of schools establishment reviews (PS21-2) and Ofsted provides external assurance inspections in this area.
IT delivery and transformation	D Hodgkinson	2018-19: Technology debt (CC18-6) - completed November 2019. 2020-21: Technology debt follow up (FR20-4) - due to report in Q4 20-21.	Resource included on 2021-22 Resources plan for assurance in this area (Business transformation - FR21-3).
Service response to further Covid-19 outbreak	J O'Sullivan / M Holdsworth	2019-20: Emergency planning (ER19-3) - moderate assurance - completed August 2020. 2020-21: Business continuity planning lessons learned exercise (ER20-4) - due to report in Q4 20-21.	Based on moderate assurance rating, no Internal Audit work is planned in this area in 2021-22.
Non recent child abuse	C Littleton	None - new risk.	Based on discussion with management, there is significant independent external scrutiny in this area. As such, no assurance work is currently planned for 2021-22. This will be kept under review.

<p>Serious H&S incident in housing</p>	<p>M Holdsworth</p>	<p>2018-19: TMO audits – Quaker Court, Redbrick, Brooke Park and Gambier House (HASS18-5). 2018-19: TMO follow ups – Hornsey Lane (FWU18-26), Charteris (FWU18-27), Halfmoon Crescent (FWU18-28), Stafford Cripps (FWU18-29), Dixon Clarke (FWU18-35). 2019-20: Landlord duty of care - fire risk assessments (CC19-1) - completed September 2019. 2019-20: TMO audits – Newbery House and Arch Elm (HASS19-2). 2019-20: TMO follow ups - Quaker Court (FWU19-25), Redbrick (FWU19-26), Brooke Park (FWU19-27). 2020-21: Landlord duty of care - fire risk assessments follow up (FWU19-2) - completed June 2020. 2020-21: Landlord duty of care - lifts (CC20-1) - due to report in Q4 20-21. 2020-21: TMO audit – Elthorne (HOU20-2). 2020-21: TMO follow ups – Gambier House (FWU20-24), Newbery House (FWU20-26), Arch Elm (FWU20-27)</p>	<p>Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Landlord duty of care – Fire Risk Assessments – FWU21-2 and Landlord duty of care – lifts – FWU21-3). Resource included on 2021-22 Housing plan for assurance in this area (Tenant Management Organisation monitoring arrangements – HOU21-1 and Tenant Management Organisation establishment reviews – HOU21-2).</p>
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Health and safety	M Holdsworth	2018-19: Legionella (CC18-2) - completed February 2019. 2019-20 Legionella follow up (FWU19-1) - completed October 2019. 2020-21: Health and safety – asbestos (HOU20-5) - due to report in Q4 20-21.	Resource included on 2021-22 Housing plan for follow up work in this area (Health and safety – asbestos – FWU21-23).
Capital programme delivery	D Hodgkinson / S Biggs	2018-19: Capital expenditure (FR18-5) - moderate assurance - completed August 2019. 2020-21: Capital programmes (CC20-4) - due to report in Q4 20-21. 2020-21: Capital expenditure follow up (FWU20-17) - due to report in Q4 20-21.	Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Capital programmes – FWU21-10). Resource included on 2021-22 Resources plan for follow up work in this area (Capital expenditure – FWU21-16).
Domestic violence abuse	C Littleton	2020-21: Domestic violence (PS20-7) - due to report in Q4 20-21.	Resource included on 2021-22 People plan for follow up work in this area (Domestic violence - FWU21-21).
Change programme delivery	A Buxton-Jennings	2018-19: Programmes and transformation (AD18-4) - completed July 2019. 2020-21: PMO (CC20-2) - completed January 2021.	Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (PMO – FWU21-5).
IT resilience	D Hodgkinson	2019-20: Symology (FR19-5) - limited assurance - completed September 2020. 2020-21: CivicaPay (FR20-2) - due to report in Q4 20-21.	Resource included on 2021-22 Resources plan for follow up work in this area (IT application review – CivicaPay – FWU21-12 and Symology – FWU21-32).

		2020-21: Symology follow up (FR20-4) - due to report in Q4 20-21.	
Well managed workforce	D Hodgkinson	2019-20: Right to work vetting arrangements (FR19-2) considered Brexit preparedness related to staffing. 2020-21: Use of contingent workers (FR20-5) - due to report in Q4 20-21.	Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Gifts and hospitality and declarations of interest – FWU21-27). Resource included on 2021-22 Resources plan for follow up work in this area (Use of contingent workers - FWU21-13 and Right to work vetting arrangements - FWU21-34).
Serious fraudulent activity	D Hodgkinson	Fraud risks identified through Internal Audit in-year were addressed through audit recommendations. Additionally, Internal Audit offered input into reactive fraud investigations undertaken in 2020-21.	The audit plan is designed to address and identify fraud risks. Delivery of the audit plan will ensure that where risks are identified audit recommendations are made to address control risks. Internal Audit will input into reactive investigations to be undertaken in-year (CC21-2).
Savings delivery	D Hodgkinson	2020-21: Financial strategy (CC20-3) - due to report in Q4 20-21.	Resource included on 2021-22 Cross-Cutting plan for follow up work in this area (Financial strategy - FWU21-9).

Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Audit Committee	25 th May 2021	All

Delete as appropriate		Non-exempt
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SUBJECT: Principal Risk Report – May 2021

1. Synopsis

- 1.1 This report presents the current principal risks facing Islington. The report represents the Council's position as at April 2021.
- 1.2 The Principal Risk Report (PRR) is an annual report presenting the principal risks facing Islington written in consultation with risk sponsors, risk leaders, Departmental Management Teams (DMTs) and the Corporate Management Board (CMB). Summary risk management updates are also shared with Audit Committee on a regular basis.
- 1.3 This iteration of the Principal Risk Report provides an update on the Principal Risk Report presented to the Audit Committee in September 2020.
- 1.4 Following the unprecedented year the Council has had as a result of the Covid-19 pandemic; the Council's Risk Manager has met with circa 30 risk leads across the Council over February and March 2021 and the Corporate Management Board in April 2021, to review principal risks. Discussions also sought to evaluate how the Council was responding to challenges, and to assess how the Council's risk management framework was being utilised to support delivery of the Council's objectives during the pandemic. The process for updating risks included meeting risk leads, discussing achievement of previously set objectives, identifying new risks and mitigating actions and revisiting risk scores and setting target risk scores. This report represents the current

outcomes of those discussions and shares our current risk profile. The updated Principal Risk Report will support the Council to navigate its challenges in the coming year.

1.5 The introduction to this report (at section 1.6-1.29) highlights key events and key changes that have occurred since the last report. Thereafter the appendices detail the following:

- **Appendix 1: Principal Risk Map** – the heatmap diagram indicates the positioning of Principal Risks, detailing the likelihood and impact scores for each risk. The impact matrix details the risk scoring mechanism;
- **Appendix 2: Risk Universe** – presents an overview of the risks by category, demonstrating our balance of risk;
- **Appendix 3: How areas of risk link to our objectives**– maps the links between risks and our 'Building a fairer Islington 2018/22' Themes;
- **Appendix 4: Executive Summary of the Principal Risks** – details the current as well as target risk score for each risk, defines the corporate sponsor and forward trend information;
- **Appendix 5: Principal Risk detailed information and action plans (risk on a page)** - details the risk information and update alongside the action plan for each risk. The action plan details the actions that will be taken to achieve the target risk score. The target risk score is an expression of our risk appetite detailing the risk score we are working towards in the next 12 months.

Summary of key risk themes

1.6

As our approach to risk management matures we can begin to identify a number of key risk themes which run throughout the Principal Risk Report. These themes are described below:

- **Increasing Inequalities** - The Council continues to work to reduce the risk of inequalities across Islington. It is recognised that both social and economic inequalities exist for both residents and staff. The work in these areas has become increasingly challenging due to the prolonged pressure on Council services due to Covid-19. We have developed a secure foundation for challenging inequalities within the Council, the challenge now is to continue to drive forward the change. However the economic impact of Covid-19 is likely to exacerbate inequality in our community.
- **Increasing Poverty** - The impact of Covid-19 on employment continues to increase the number of residents taking up Universal Credit. In addition the increasing cost of food and housing continues to provide significant challenges for our residents. We continue to work closely with our residents and our voluntary sector to identify and support residents in need.
- **Declining Financial Resilience of the Council and our key partners** – The short-term risk has stabilised further due to additional government funding, vaccine roll-out, government roadmap and improved understanding of the budgetary impact of restrictions/lockdown. There remains significant uncertainty regarding the wider potential impact of Covid-19 on future local authority and/or partner funding. The medium-term financial outlook for local government remains highly uncertain.
- **Health, Safety and Wellbeing of residents and staff** – The challenging external environment continues to require an intense pace of work within many Council services, with staff redeployed into Covid-19 workstreams. The financial pressures brought on

by Covid-19 will impact both resident and staff. The health, safety and wellbeing of resident and staff remains a priority and we continue to provide support and sign posting to ensure staff and residents have access to the support they need.

1.7 **Summary of key risk factors**

Since our last report in September 2020, while Islington continues to operate in a heightened risk environment, we continue to see further stabilisation in risk scores. A number of our Principal Risk Trend indicators have moved from 'Increasing' to 'Stable'. One of the most significant external factors that continues to impact our risk profile is Covid-19. The pandemic continues to present challenges alongside increased financial challenge for residents, businesses and the Council.

As our risk maturity enhances, we recognise that a number of our principal risks are either significantly or partially influenced by external risk factors. External risk factors are those factors which influence the risk and which arise from outside of the organisation, for example economic, natural, demographic, or political factors. Risks that are significantly influenced by external factors may be challenging to forecast with a high level of reliability. Additionally it may be challenging to design mitigating actions to meaningfully treat these risks. Target risk scores outlined at Appendix 4 reflect our ability to influence these risks

Changes in risk score

- 1.8 The Likelihood and Impact scores for the Savings programme have been reduced by 1 point.

Rationale

Our Covid-19 response included a review of all savings projects, which resulted in some re-profiling of savings. 2021/22 savings have now been approved as and will be monitored as part of the monthly budget monitoring process. A Covid-19 contingency has been set aside in order to provide resilience should there be an impact on savings delivery resulting from the pandemic.

- 1.9 The Likelihood score for the Serious Fraudulent Activity risk has been reduced by 1 point.

Rationale

The level of fraud that we initially expected during the pandemic did not arise.

- 1.10 The Likelihood score for the IT Delivery and Transformation risk has been increased by 1 point.

Rationale

Delivery pressure is increasing due to redeployment of resources to support the Covid-19 response.

- 1.11 The Likelihood and Impact scores for the IT Resilience have been reduced by 1 point each.

Rationale

There have been a number of recent projects to deliver improvements to our IT resilience.

- 1.12 The Likelihood score for the Covid-19 Financial Impact risk has been reduced by 1 point.

Rationale

The Risk has stabilised further due to additional government funding, vaccine roll-out, government roadmap and improved understanding of the budgetary impact of restrictions/lockdown.

- 1.13 The Likelihood score has been reduced by 1 point and the Impact score has been increased by 1 point for the serious information breach or non-compliance with legislation risk.

Rationale

Whilst the likelihood has decreased the impact has been increased. This is due to the potential impact of any regulatory action involving higher fines as well as long-term reputational damage.

- 1.14 The Impact score for the Cyber and Data Security risk has been increased by 1 point.

Rationale

The size, frequency and severity of Cyber and Data security vary significantly. The risk score has been adjusted to reflect the impact of a significant event.

- 1.15 The Likelihood score for the Well Management Workforce risk has been increased by 1 point.

Rationale

The continuation of remote working will require new ways of managing the workforce to be implemented.

- 1.16 The Impact score of the Capital Programme has been increased by 1 point.

Rationale

The size of the capital programme has increased since the last iteration of this report, we believe it would be prudent to reflect this in the impact rating, the size of increase should proportionately relate to the impact score.

- 1.17 The Likelihood score for the Service Response to further Covid-19 outbreak risk has been reduced by 2 points.

Rationale

The Council has undertaken significant change in order to become more agile, enabling us to tailor our services to meet the changing needs of residents (as a result of Covid-19). This activity is closely monitored and the Covid-19 workstreams remain dynamic.

Proposed Additions

- 1.18 **Risk Title**

School viability/place planning

Risk

That the council is unable to collaboratively manage the reduction in demand for Primary/Secondary Age pupils, putting at risk the viability of pattern of provision.

Cause

Significant reduction in pupil demand reflective of reduced birth and fertility rates within inner-London, reduction in pupil yield from new housing. Real terms reduction in school level funding over the medium term.

Consequence

Schools become non-financially sustainable and unable to deliver the broad and balanced curriculum. Loss of confidence in the Council (all stakeholders)

Demand for school places has fallen. In part this drop in demand has been driven by declining birth rates across London. Local evidence on births, health visiting and GP registrations (of children under 12 months), indicates that the recent reduction in births in Islington is likely to remain an ongoing trend. In 2019, the GLA identified problems of overestimation in the official ONS migration estimates, this is particularly acute in areas of London with high international flows, and can lead to inflated numbers of children in the projections.

1.19 **Risk Title**

Increasing Outstanding Debt

Risk

Failure to effectively collect monies owed to the Council from businesses and/or residents to fund Council services

Cause

Covid-19 Lockdown measures impacting trade and/or employment (income), limited access to Court due to Covid-19

Consequence

Significant reduction in payments towards debt, longer term impact on Council's financial resilience

Rationale

Prior to Covid-19 our total liabilities remained quite stable and easy to project, however we have seen increases of circa 3% in respect personal debt, and circa 8% in respect business debts.

1.20 **Risk Title**

Delivering Net Zero Carbon

Risk

The Council and the borough does not achieve net zero carbon by 2030 in response to the climate emergency.

Cause

Lack of supportive national policy and funding for decarbonisation; Lack of organisational commitment to deliver the NZC ambitions; Resource and/or funding constraints (access to external funding) to deliver the Net Zero Carbon Strategy; and, Lack of influence over key stakeholders (local/national)

Consequence

Reputational risk of failing to meet net zero carbon target; unsatisfactory reduction in the levels of carbon emissions; poor air quality impacting on residents' health and wellbeing; and, impacts our ability to alleviate fuel poverty, particularly for vulnerable residents.

Rationale

Islington Council declared a Climate Emergency in June 2019, recognising the need to drastically reduce carbon emissions in the borough. A pledge has been made to work towards being a net zero borough by 2030, and the Net Zero Carbon strategy was adopted in November 2020. A strategic commitment of this nature presents significant operational, reputational and health risks.

1.21 **Risk Title**

Non Recent Child Abuse

Risk

Failure to adequately plan or quantify a full remedial support offer for survivors could affect delivery of services or have a significant financial impact

Cause

Practical support offer does not meet the needs of survivors. Failure to accurately plan, quantify, administer and monitor the support payment scheme. Recognition and acknowledgement by the council for the abuse that survivors suffered does not meet their expectations.

Consequence

Decline in the health and wellbeing of survivors. Expenditure exceeds budget for the support payment scheme. Reputational damage

Rationale

This risk describes the challenges around the Support payment scheme proposal agreed by Council Executive for consultation with survivors and other key stakeholders.

Amended Risks

The Diversity and Inclusion Risk, the revised articulation expands on the causes and consequences of the risk.

1.22 **Risk Title**

Diversity and Inclusion

Risk

Failure to attract and retain the diverse talent we need at every level of the organisation to deliver our services

Cause

Low turnover resulting in limited opportunities for progression

No management or leadership programmes in place to support progression

No mentoring schemes in place. Lack of resources to deliver the required strategic approach to workforce planning. Lack of engagement by some directorates in apprenticeship programmes. Limited use of social media and modern attraction mechanisms. Inexperienced and non-diverse panel members

Consequence

We will be unable to realise the benefits of a diverse and inclusive workforce in shaping and delivering our services.

The Well Managed Workforce Risk, the revised articulation expands on the causes and consequences of the risk.

1.23 **Risk Title**

Well managed Workforce

Risk

Failure to successfully manage our workforce to deliver corporate priorities

Cause

Lack of management experience/ability to manage performance effectively through a focus on outcomes. Lack of management development programmes. Absence of structure within the performance management approach. Lack of a behaviours framework. Outdated procedures. Increase in remote working

Consequence

Workforce may not be engaged, delivering its full potential, impacting service delivery.

The Welfare Reforms risk, the update reflects the change in risk from the initial roll-out of Universal Credit and the impact on rent collection, now focusing on the current risk to describe the risk to residents financial resilience.

1.24 **Risk Title**

Financial Resilience of Residents

Risk

Failure to appropriately support residents to be financially resilient

Cause

Government policy, Covid-19 (accelerated number of UC applications and increasing unemployment), wider economic environment.

Consequence

Vulnerable residents fall into significant new financial hardship. Evictions/ homelessness may increase. Declining physical/emotional wellbeing of residents. Arrears/economic hardship may increase the debt position towards the Council, reducing ability to fund services.

The Covid-19 Outbreak Control Risk description, this has been updated to ensure it remains aligned to the current challenges, including those around vaccine uptake, the risk description is as follows:

1.25 **Risk Title**

Covid-19 Outbreak Control

Risk

The Council lacks the appropriate preparedness and resilience to identify, respond to and manage outbreaks and/or community clusters of Covid-19.

Cause

Lack of resources /surge capacity (Public Health and Environmental Health) to respond e.g. to respond several localised simultaneous outbreaks. Insufficient Public Health (PH) England London Coronavirus Response Centre (LCRC) capacity (first line response to most outbreaks). Lack of engagement/adherence with PH advice & guidance or lower uptake of vaccinations and/or Test and Trace within local community & local organisations/institutions.

Consequence

Failure to identify/manage local outbreaks and / or the activities that keep our communities safe and well, leading to a distributed outbreak in the community, further restrictive measures. Reputational damage for LBI. Potential for further disproportionate impacts across our most vulnerable communities.

The Housing Delivery risk, the amendment more clearly defines that the risk is in relation to the national requirements of the Housing Delivery Test and not Housing Delivery in general

1.26 **Risk Title**

Housing Delivery Test

Risk

Failure to meet a three-year rolling housing targets in line with the national requirement

Cause

Shortage of sites/available land for housing over a number of years and some market turbulence

Consequence

Inability to meet our commitment to residents. A weakening position over time to secure planning benefits (including affordable housing from any site and our ambitious policies in the new local plan would not be given full weight in the planning process.

The Economic Inequalities Risk, the amendment more accurately articulates the risk.

1.27 **Risk Title**

Decline in Local Business Resilience

Risk

Decline in local business resilience

Cause

Economic slowdown and ending of furlough/business support programmes, leading to increased unemployment and business failure. Lack of confidence (investors and developers)

Consequence

Significant increase in poverty and unemployment across Islington, increasing demand for Council services. Employment spaces not utilised and optimised. Potential loss of income for the Council.

The Youth Crime and Serious Youth Violence risk, the description has been updated to reflect disproportionate impact on BAME communities, the risk description is as follows:

1.28 **Risk Title**

Youth Crime and Serious Youth Violence

Risk

Increase in crime and harm from Serious Youth Violence. A perceived failure to respond adequately to/prevent crime involving young people, despite extensive investment in services & well publicised plans.

Cause

Early childhood trauma, disrupted attachment may lead to children unable to self-regulate; therefore more likely to offend. Contextual factors e.g. living in high crime neighbourhoods, poverty and discrimination. Interventions are not sufficiently tailored or impactful.

Consequence

Media coverage contributes to fear of crime, negative attitudes towards young people compounding the issues they face. More young people in criminal justice system and disproportionate impact on BAME communities

Deletions

1.29 The Brexit risk has been deleted and retained for local management within the Council's Directorates and Services.

Rationale

The UK has secured a trade deal with the European Union meaning that the risks associated with a chaotic (no deal) scenario have not transpired.

1.30 Appendices

- **Appendix 1: Principal Risk Map** – the heatmap diagram indicates the positioning of Principal Risks, detailing the likelihood and impact scores for each risk. The impact matrix details the risk scoring mechanism;
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- **Appendix 3: How areas of risk link to our objectives** – maps the links between risks and our 'Building a fairer Islington 2018/22' Themes;
- **Appendix 4: Executive Summary of the Principal Risks** – details the current as well as target risk score for each risk, defines the CMB risk lead, forward trend information;
- **Appendix 5: Principal Risk detailed information and action plans (risk on a page)** – details the risk information and update alongside the action plan for each risk. The action plan details the actions that will be taken to achieve the target risk score. The target risk score is an expression of our risk appetite detailing the risk score we are working towards in the next 12 months

2. Recommendations

2.1 Committee is asked to note the report.

3. Implications

3.1 Financial implications:

The programme of work has been met from within the existing risk management budget. The financial implications of individual principal risks are met by local budgets.

3.2 Legal Implications:

There are no legal implications arising from this report. Legal advice and support will be provided, where necessary, in relation to individual risks.

3.3 Environmental Implications

There are no environmental implications arising from the recommendations in this report.

3.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the

need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

4. Reason for recommendations

: To note the Principal Risks facing Islington and actions currently being undertaken/planned to mitigate these risks.

Final report clearance:



Signed by:

David Hodgkinson – Corporate Director of
Resources
6 May 2021

Date:

Report Author: Nasreen Khan, Head of Internal Audit, Investigations and Risk Management

Tel: 020 7974 2211

Email: Nasreen.Khan@islington.gov.uk

Financial Implications Author: Paul Clarke, Director of Finance

Tel: 020 7527 5636

Email: Paul.Clarke@islington.gov.uk

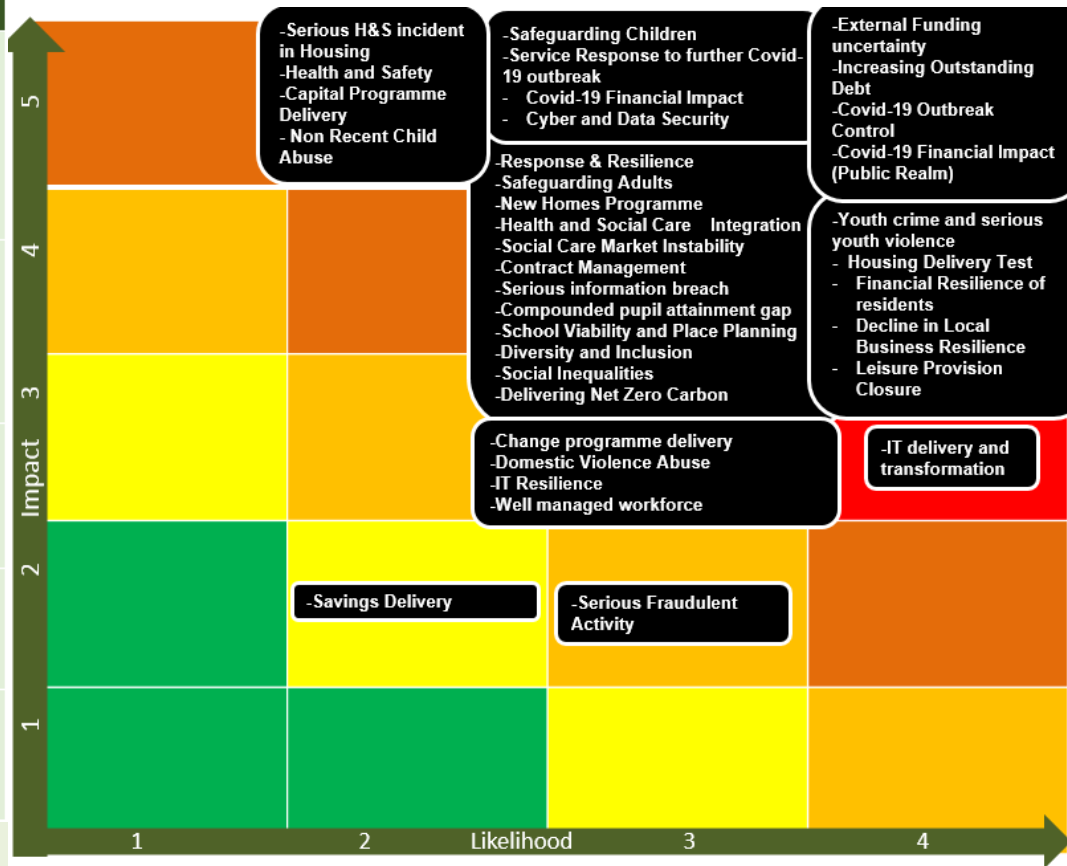
Legal Implications Author: Rob Willis, Chief Corporate and Commercial Litigation Lawyer

Tel: 020 7527 3302

Email: Robert.Willis@islington.gov.uk

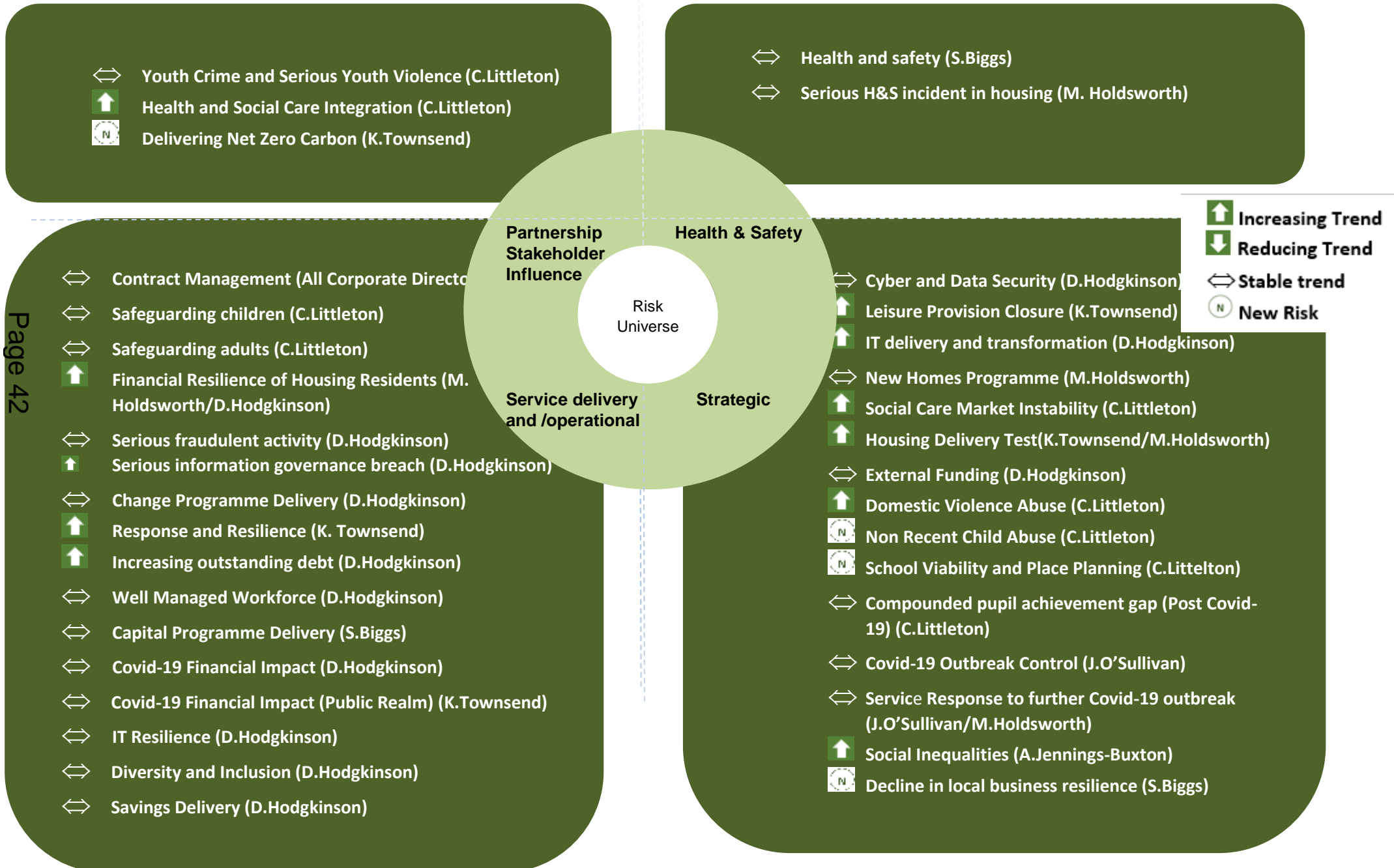
Appendix 1 - Principal Risk Map

Impact Ratings	Financial	Service Delivery	Health and Wellbeing	Reputation
5	Financial loss above £10m.	Major disruption to a number of critical services.	Multiple deaths or serious/life-changing non-recoverable injury(s)/extreme safeguarding alerts likely.	Long term damage – e.g. Adverse national or local publicity, highly damaging severe loss of public confidence. Widespread and high level of criticism. Impacts on staffing and recruitment.
4	Financial loss above £8m.	Major disruption of a critical service.	Multiple casualties with recoverable injuries. Major safeguarding concerns potentially affecting multiple people. Evidence of known sustained neglect or abuse without intervention.	Medium to long term damage – e.g. Adverse local, regional or national publicity, major loss of confidence, a matter that is frequently referenced in relation to the council.
3	Financial loss above £6m.	Major disruption of an important service. Moderate disruption of a critical service.	Noticeable safeguarding risks – evidence of known neglect or abuse without intervention.	Medium term damage – e.g. Adverse publicity, local, regional and national coverage, with significant follow-up stories
2	Financial loss above £4m.	Moderate disruption of an important service.	Single casualties with recoverable injuries. Noticeable safeguarding risks – evidence of neglect.	Short term damage – e.g. Adverse publicity, national follow-up stories on the same issue.
1	Financial loss above £1m.	Brief disruption of an important service. Repeated disruption of a core service.	Medical treatment required, semi-permanent harm, up to 1 year. Safeguarding concerns of neglect.	Short term damage – e.g. Adverse publicity, regional follow-up stories on the same issue.
Likelihood Score	1 - Rare	2 – Unlikely	3 – Possible	4 – Likely

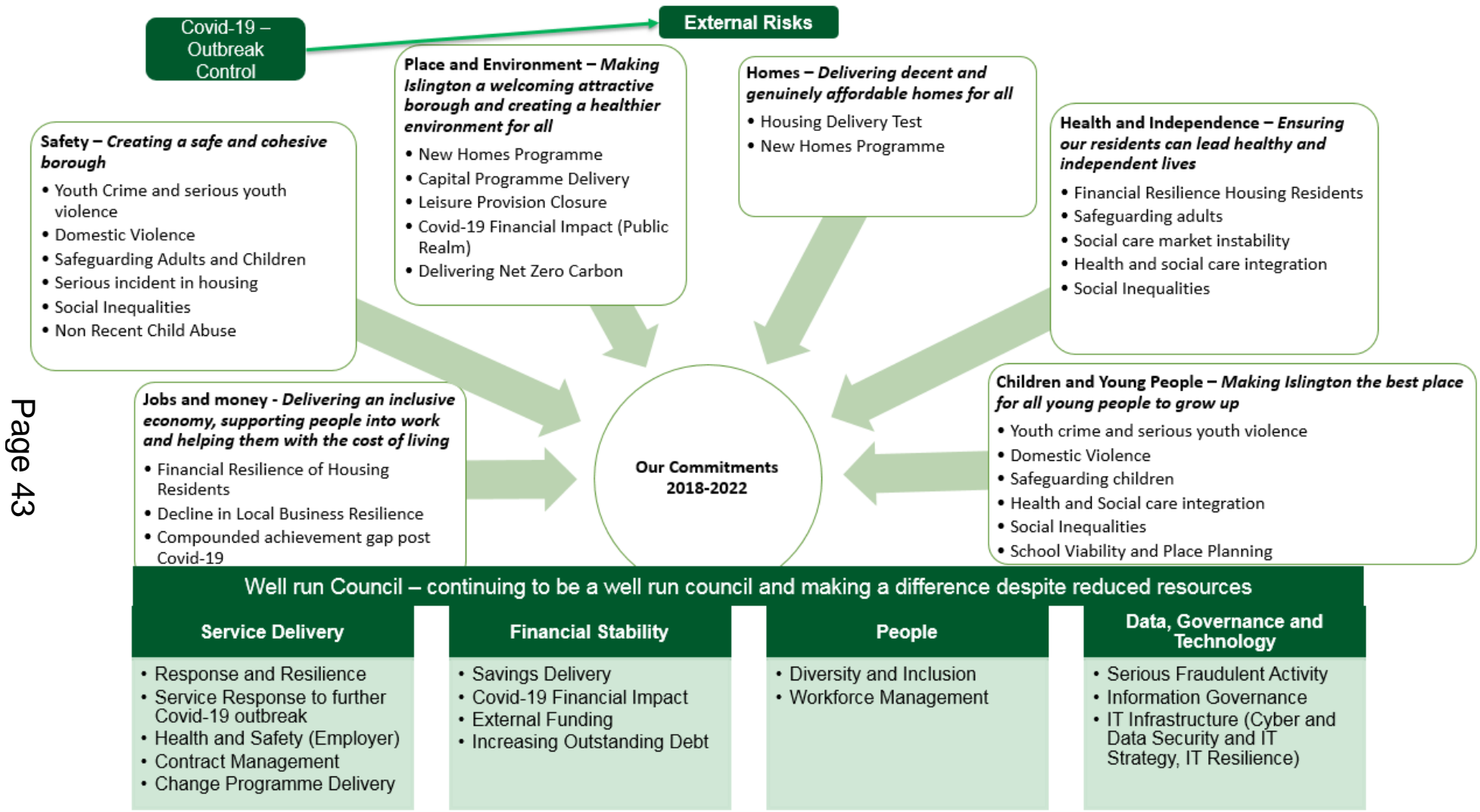


Note: risks have been scored considering the above criteria in view of the current controls in place. The criteria (Financial, Service Delivery, Health and Wellbeing or Reputation) considered most appropriate to each risk has been chosen. Risks in the same black box share the same scoring, the order they appear in the box is not indicative of severity.

Appendix 2 - Risk Universe (Including risk forward trend)



Appendix 3: How areas of risk link to our objectives



Appendix 4 - Executive summary of the principal risks

L=Likelihood Score I=Impact Score (0) – denotes no movement in risk score since Sep 20, if a '+' or '-' is indicated this denotes a change in the risk score since Sep 20

***Difference between current and target score are colour coded as follows:**

Green – Current risk score aligns with the target risk score,

Amber – Current risk score is within 10 points from the target risk score,

Red – Current risk score is more than 10 points from target risk score.

Risk Score	L	I	Target Score	Difference between current and target score*	Risk Title	CMB Risk Sponsor	Risk Score Outlook Sep 20	Risk Score Outlook Mar 21	Comment on change in trend
20 (-)	4	5	L:3 I:5 Score 15	5 points	Covid-19 Outbreak Control	J.O'Sullivan	↑	↔	The vaccination programme overall will reduce the risk of outbreaks, however local outbreaks may still occur impacting the community. We are working with residents and staff to overcome vaccine hesitancy.
20 (-)	4	5	L:3 I:5 Score 15	5 points	External Funding Uncertainty	D.Hodgkinson	↑	↔	Shorter term financial certainty has improved, however the medium-term financial outlook for local government remains highly uncertain.
20 (-)	4	5	L:3 I:4 Score 12	8 points	Increasing Outstanding Debt	D.Hodgkinson	-	↑	Covid-19 has increased financial hardship for both businesses and residents. This has led to an increase in the amount of monies owed to the Council. Our powers for collecting debt have been reduced during the pandemic due to court proceedings being paused.
20 (-)	4	5	L:4 I:3 Score 12	8 points	Covid-19 Financial Impact (Public Realm)	K.Townsend	↔	↔	The risk outlook remains stable due to a reduction in vehicles and subsequent transactions during lockdown, balanced by increased surcharge/tariffs to reduce unnecessary journeys. The introduction of the people friendly streets schemes, in conjunction with revised long term financial planning will further mitigate the risk moving forward.

Risk Score	L	I	Target Score	Difference between current and target score*	Risk Title	CMB Risk Sponsor	Risk Score Outlook Sep 20	Risk Score Outlook Mar 21	Comment on change in trend
16 (-)	4	4	L:4 I:3 Score 12	4 points	Decline in local business resilience	S.Biggs	↑	↑	Government intervention will determine the pace and depth of economic slowdown. Local businesses will benefit from support measures announced in the budget, including the extension of the furlough scheme, the Help to Grow digital training and grants scheme (aimed at small business) and the extended self-employed Covid-19 financial support offer.
16 (-)	4	4	L:3 I:3 Score 9	7 points	Youth crime and serious youth violence	C.Littleton	↑	↔	We have continued to see reductions in crimes involving young people and all violent crime types, and reductions in reoffending and youth custody rates.
16 (-)	4	4	L:4 I:3 Score 12	Points - 4	Financial Resilience of Residents	M. Holdsworth/S. Biggs	↑	↑	The pressures on the economic environment as a result of Covid-19 continue to increase, particularly as a number of the central government Covid-19 support packages end in the coming months. This increasing pressure may lead to a further decline to financial resilience of residents. The additional shift in the number of residents claiming UC builds in higher levels of debt (based on the evidence we have about residents who have already transitioned to UC).
16 (-)	4	4	L:3 I:3 Score 9	Points - 7	Housing Delivery Test	K.Townsend/M. Holdsworth	↑	↑	The short term risk is increasing as we have failed to meet our 19/20 Housing Delivery Test targets. In the longer term the adoption of the Local Plan and the much lower new target set in London Plan will help reduce the risk going forward. Some big sites will also be coming on stream.
16 (-)	4	4	L:2 I:3 Score 6	10 points	Leisure Provision Closure	K.Townsend	↔	↔	We continue to work with, and support our leisure provider to keep centres operational following the easing of restrictions. GLL continue to be impacted by the current lockdown. We are developing a Leisure Recovery Strategy to mitigate the risk of disruption to residents and the financial risk to the Council.

Risk Score	L	I	Target Score	Difference between current and target score*	Risk Title	CMB Risk Sponsor	Risk Score Outlook Sep 20	Risk Score Outlook Mar 21	Comment on change in trend
15 (-)	3	5	L:2 I:5 Score 10	5 points	Safeguarding children	C.Littleton	↑	↔	Covid-19 and the lockdown restrictions have increased pressures on families which is likely to lead to an increase in abuse and neglect, poverty, domestic violence and contextual safeguarding risk. In addition children had been seen less frequently by professionals in the community during lockdown, which may have delayed referral where needed.
15 (-5)	3	5	L:2 I:3 Score 6	6 points	Covid-19 Financial Impact	D.Hodgkinson	↑	↔	Risk has stabilised further due to additional government funding, vaccine roll-out, government roadmap and improved understanding of the budgetary impact of restrictions/lockdown. The risk score has reduced since the last report as we have greater clarity on how the government will compensate lost income, improving our financial planning.
15 (+3)	Page 46	5	L:3 I:3 Score 9	Points 3	Cyber and Data Security	D.Hodgkinson	↑	↔	The external risk continues to increase, this is balanced by our continuously improving control mechanisms. The impact score has been adjusted to demonstrate the potential severity of a significant event.
12(-)	3	4	L:2 I:3 Score 6	6 points	Diversity and Inclusion	D.Hodgkinson	↑	↔	A range of actions to further control the risk have been designed and will be introduced over the coming six months, enhancing our controls and moving us towards our target risk score. The risk landscape remains largely unchanged since the last report, hence a stable trend.
12 (-)	3	4	L:2 I:2 Score 4	8 points	Social Inequalities	A.Jennings-Buxton	↓	↑	We have developed a secure foundation for challenging inequalities within the Council, the challenge now is to continue to drive forward the change. However the economic impact of Covid-19 is likely to exacerbate inequality in our community.
12 (0)	3	4	L:3 I:4 Score 12	0 points	Serious information breach or non-compliance with legislation	D.Hodgkinson	↔	↑	Whilst the overall risk score remains the same the likelihood has decreased and the impact has been increased. This is due to the potential for higher regulatory fines as well as increasingly long-term impact of reputational damage.
12 (-)	3	4	L:2 I:4 Score 8	4 points	Response and resilience	K.Townsend	↑	↑	The Emergency Planning Unit continue to support the management of Covid-19, whilst remaining resourced to respond to other emergencies. The team will co-ordinate the organisations recovery planning.

Risk Score	L	I	Target Score	Difference between current and target score*	Risk Title	CMB Risk Sponsor	Risk Score Outlook Sep 20	Risk Score Outlook Mar 21	Comment on change in trend
12 (0)	3	4	L:3 I:4 Score 12	0 points	Safeguarding adults	C.Littleton	↑	↔	The ongoing impact of Covid-19 will continue to present challenges to adults at risk of harm. Some services or arrangements available in the wider community that previously provided some safety net and protection for vulnerable people might be delayed in recommending support or may have ceased to. We are addressing these risks with the increased support and guidance available for staff, development of collaborative community approaches with voluntary sector organisations and mutual aid groups and increased awareness of safeguarding adults in the community from our engagement with local residents.
12 (0)	3	4	L:3 I:3 Score 12	0 points	New Homes Programme	M.Holdsworth	↑	↔	Covid-19 delays continue to impact the rate of delivery for construction projects. We continue to monitor the impact of the EU Exit Trade Deal to identify if there will be an impact on supply of labour, we do not expect any impact on supply of materials and marginal cost impacts.
12 (0)	3	4	L:2 I:3 Score 6	6 points	Social Care Market Instability	C.Littleton	↑	↔	For Adult Social Care and the wider Council, the past 12 months has been dominated by the national response to the COVID-19 pandemic. Working relationships with providers in Islington have been excellent and support provided in a number of areas including: PPE, infection control and advice and guidance. Although there has been an increased use of spot purchased providers particularly in domiciliary care, service delivery has been stable.
12 (-)	3	4	L:2 I:4 Score 4	4 points	Delivering Net Zero Carbon	K.Townsend	-	↔	Net Zero Carbon strategy was adopted in November 2020. We have established and mobilised a net zero carbon programme, with the aim to deliver net zero carbon by 2030 in Islington
12 (0)	3	4	L:2 I:4 Score 8	4 points	Contract Management	S.Biggs	↑	↔	The restructure of our contract management function has progressed, alongside the launch of the progressive procurement strategy, therefore overall we have begun to enhance our controls. However the external environment remains challenging for our contractors.

Risk Score	L	I	Target Score	Difference between current and target score*	Risk Title	CMB Risk Sponsor	Risk Score Outlook Sep 20	Risk Score Outlook Mar 21	Comment on change in trend
12 (0)	3	4	L:2 I:3 Score 6	6 points	Health and Social Care Integration	C.Littleton	↑	↑	Following the publishing of the Health and Social Care White Paper on 11 February 2021 and aligned changes to commissioning at a local and London level, there is potential dependent on discussions for changes to funding arrangements
12 (-)	3	4	L:2 I:4 Score 8	4 points	School Viability and Place Planning	C.Littleton	-	↔	Demand for school places is continuing to fall, driven by declining birth rates across London, this is likely to remain an ongoing trend.
12 (0)	page 48	4	L:2 I:2 Score 4	8 points	Compounded pupil attainment gap	C.Littleton	↑	↔	We have implemented the National Catch up programme in schools to support vulnerable pupils. The Richard Reeves Project has been implemented to provide targeted support for all pupils and in particular Caribbean and White UK disadvantaged pupils. Unconscious bias training is being provided to schools to support undertaking teacher assessments in particular for pupils undertaking GCSEs and A Levels. We are supporting schools to establish and implement remote learning that reflects the demands of the national curriculum in order to minimise gaps.
12 (+3)		4	L:2 I:2 Score 4	8 points	IT delivery and transformation	D.Hodgkinson	↔	↑	Delivery pressure has increased due to resources and organisational focus shifting to respond to Covid-19, however we continue to closely monitor project delivery. The current challenges are reflected in the increased likelihood score and increasing forward trend.
10 (-10)	2	5	L:2 I:5 Score 10	0 points	Service Response to further Covid-19 outbreak	J.O'Sullivan/M. Holdsworth	↑	↔	Covid-19 cases are on a downward trend, service response has matured as we have adapted and scaled up through the second wave. Our knowledge of Covid-19 has evolved, and services have adapted to meet the needs of residents.
10 (-)	2	5	L:1 I:5 Score 5	5 points	Non Recent Child Abuse	C.Littleton	-	↔	Our support payment scheme proposal has been agreed by Council Executive for consultation with survivors and other key stakeholders. Our full remedial support offer has a practical support, a financial element and recognition and acknowledgement by the council of the abuse suffered to help survivors to heal and to move forward from their experiences

Risk Score	L	I	Target Score	Difference between current and target score*	Risk Title	CMB Risk Sponsor	Risk Score Outlook Sep 20	Risk Score Outlook Mar 21	Comment on change in trend
10 (0)	2	5	L:1 I:5 Score 5	5 points	Serious H&S incident in housing	M.Holdsworth	↔	↔	Our controls continue to improve reducing the risk. The implications of the Fire Safety bill and Building Safety Bill are being assessed, in preparation for implementation on enactment of legislation.
10 (-)	2	5	L:1 I:4 Score 4	6 points	Health and safety	S.Biggs	↔	↔	The corporate Health and Safety service has been focussed on supporting the organisations response to Covid-19 to ensure staff and resident safety and wellbeing is maintained.
10 (+2)	2	5	L:1 I:4 Score 8	2 points	Capital Programme Delivery	S.Biggs	↔	↔	The Capital Strategy and Capital Programme (for the next 3 years) have been approved as part of the budget setting programme at full Council in February 2021. The total expected spend over 3 years is £539 million, there will be close monitoring of our spend and outcomes.
9 (-)	3	3	L:2 I:3 Score 6	3 points	Domestic Violence Abuse	C.Littleton	↑	↑	The additional £2 million council investment agreed in 2020 (for three years) to tackle Violence Against Young Women and Girls (VAWG) is being used to transform the council's offer, and this has been bolstered by additional funding. Domestic Violence Abuse has increased circa 2% year on year (which is slightly lower than projected) however the cases are increasing in complexity and risk.
9 (-)	3	3	L:2 I:2 Score 4	5 points	Change Programme Delivery	D.Hodgkinson	↓	↔	Risks are being managed through enhanced governance processes and monitoring. The risk remains stable.
9 (-7)	3	3	L:2 I:3 Score 6	3 points	IT Resilience	D.Hodgkinson	↑	↔	We have made improvements to our controls in recent months and refreshed our resilience plans, therefore reducing our risk score. The trend is stable as we continue to make planned progress towards control improvement.
9 (+3)	3	3	L:2 I:2 Score 4	5 points	Well Managed Workforce	D.Hodgkinson	↔	↔	A range of actions to further control this risk are planned and will be introduced over the coming six months. Remote working is set to continue in the near term with new ways of working being established.

Risk Score	L	I	Target Score	Difference between current and target score*	Risk Title	CMB Risk Sponsor	Risk Score Outlook Sep 20	Risk Score Outlook Mar 21	Comment on change in trend
6 (-2)	3	2	L:2 I:2 Score 4	2 points	Serious fraudulent activity	D.Hodgkinson	↑	↑	The current score has reduced compared to the previous iteration as we have not seen the level of fraud initially anticipated as a result of the pandemic. The forward trend is increasing as the government continues to support residents through a variety of Covid-19 grants and dispensations.
4 (-5)	2	2	L:2 I:2 Score 4	0 points	Savings Delivery	D.Hodgkinson	↔	↔	The risk score has reduced following a full review of proposals, we have re-profiled some savings and agreed a new 21/22 savings. There remains an ongoing level of risk around delivery of the challenging level of savings the council is having to making each year to balance its budget.

Appendix 5: Principal Risk detailed information and action plans (risk on a page)

Risk Information Risk Title – Covid-19 Outbreak Control	Risk Scores	Existing Controls			
<p>Risk - The Council lacks the appropriate preparedness and resilience to identify, respond to and manage outbreaks and/or community clusters of Covid-19.</p> <p>Cause - Lack of resources /surge capacity (Public Health and Environmental Health) to respond e.g. to respond several localised simultaneous outbreaks. Insufficient Public Health (PH) England London Coronavirus Response Centre (LCRC) capacity (first line response to most outbreaks). Lack of engagement/adherence with PH advice & guidance or lower uptake of vaccinations and/or Test and Trace within local community & local organisations/institutions.</p> <p>Consequence - Failure to identify/manage local outbreaks and / or the activities that keep our communities safe and well, leading to a distributed outbreak in the community, further restrictive measures. Reputational damage for LBI. Potential for further disproportionate impacts across our most vulnerable communities.</p> <p>Risk Update – The Council has an active programme of Covid-19 communication and community engagement (including around testing and vaccination) to reduce risk, promote safety and support the update of vaccinations. We continue to maintain active and dynamic oversight via a good governance structure. We have supported work with schools around the safe operation of infection control and testing; similarly with care homes and domiciliary care sector, including access to PPE. We have established two local PCR testing sites and several OFT (lateral flow test) sites in the Borough. 'We are Islington' are providing support for residents who need to self-isolate, and to facilitate access to vaccinations. Vaccination data is improving, but remains more limited than we will need for the future. We have enhanced access to infection data and contact tracing. Vaccination programme has been rolled out.</p>	<p>Current Score: L:4 I:5</p> <p>Target Score: L:3 I:5</p> <p>Gap to target: L:1 I:0</p>	<p>Covid-19 Resilience Risk Register, Borough Emergency Command Centre Covid-19 Response Team (Public Health Team and Environmental Health Team) Outbreak Control Board , Covid-19 Health Protection Group, Islington Borough Resilience Forum</p> <p>The Outbreak Prevention and Control plan has been published, setting out how we will swiftly, safely and effectively respond to outbreaks and support the management of cases in complex settings. Focussing on identifying and containing potential outbreaks in places such as workplaces, accommodation settings, care homes and schools, ensuring testing capacity is deployed effectively and helping the most vulnerable in self-isolation access essential services locally. It supports an integrated approach between local and national government, with a range of other partners such as the NHS, GPs, businesses, employers, voluntary organisations, community partners, and the general public. <i>At the time of updating the outbreak Management Plan is being reviewed in anticipation of the move towards social and economic re-opening under the government's roadmap.</i></p> <p>Outbreak Prevention and Control activities are supported by a local data dashboard, reviewed on a daily basis using national and regional data sources. There is a local steering group involving the NHS, the Council and VCS partners, which also includes a communication and community engagement steering group to help support, the role out and uptake of vaccinations across the community. There is data and intelligence to inform planning and an agile response to the promotion and uptake of the vaccine. However in the longer term data will need to be developed considerably further.</p>			
<p>Action</p> <p>To use data and insight around vaccinations to continue to plan for and respond with agility to trends in update across the community.</p> <p>To develop data access and capabilities to identify vulnerabilities across the population and in support of local outbreak management</p> <p>To continue to work with partners in the promotion of Covid safety measures and encouragement for the uptake of the vaccination.</p> <p>To keep the Outbreak Management Plan up to date to respond to changes in national/regional guidance and approaches for the management of Covid-19, over the next year</p>	<p>Expected impact</p> <p>Reduce Likelihood</p> <p>Reduce Likelihood</p> <p>Reduce Likelihood</p> <p>Reduce Impact</p>	<p>Resources required</p> <p>IT/Staff</p> <p>IT/Staff</p> <p>IT/Staff</p> <p>Staff</p>	<p>Owner</p> <p>J.O'Sullivan</p> <p>J.O'Sullivan</p> <p>J.O'Sullivan</p> <p>J.O'Sullivan</p>	<p>Due Date</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Status</p> <p>In progress</p> <p>In progress</p> <p>In progress</p> <p>In progress</p>

Risk Information Risk Title – External (Medium/Longer Term) Funding Uncertainty	Risk Scores	Existing Controls				
<p>Risk - Significant budget gaps over the medium term</p> <p>Cause - Delays to Comprehensive Spending Review (CSR), review of local authority funding arrangements and adult social care reform</p> <p>Consequence - Unable to attain a balanced and robust budget</p> <p>Risk Update –</p> <p>The longer-term Comprehensive Spending Review and planned reforms to the local government finance system around business rates retention and the 'Fair Funding Review' (Review of Relative Needs and Resources) have all been delayed until 2022/23 at the earliest.</p> <p>The Fair Funding Review continues to present a particular risk to Islington Council with the potential that government funding could be redistributed away from authorities such as London boroughs (in particular, inner London) towards counties and districts; this is an added layer of risk over and above the local government funding outlook that could see cash flat funding, on average, nationally.</p> <p>A fundamental Business Rates Review is also due to report in Autumn 2021 on how the business rates system works, issues to be addressed, ideas for change and alternative taxation options. This is likely to have significant consequences for local government funding.</p>	<p>Current Score: L:4 I:5</p> <p>Target Score: L:3 I:5</p> <p>Gap to target: L:1 I:0</p>	<p>The council has recently approved a balanced budget for 2021/22 which includes additional contingency provision for Covid-19 budget pressures/risks and a medium-term financial strategy (MTFS) to strengthen financial resilience in reserves.</p> <p>The Financial Planning team review and update the MTFS assumptions at key points in the financial planning cycle. This is informed by financial modelling from external financial advisors.</p> <p>The council responds to government funding consultations and also lobbies through London Councils, the Society of London Treasurers and the LGA on key funding issues.</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Responding to consultations and lobbying</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>D.Hodgkinson</p>	<p>Ongoing</p>	<p>In progress</p>	

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Risk Information Risk Title – Increasing Outstanding Debt	Risk Scores	Existing Controls				
<p>Risk - Failure to effectively collect monies owed to the Council from businesses and/or residents to fund Council services</p> <p>Cause - Covid-19 Lockdown measures impacting trade and/or employment (income), limited access to Court due to Covid-19</p> <p>Consequence - Significant reduction in payments towards debt, longer term impact on Council's financial resilience.</p> <p>Risk Update: The majority of Council is liability based in the form of Council Tax and Business Rates. Liability based Council Tax 100, 300 business rates. In addition we have some demand led debt in the form of Sundry income (e.g. commercial waste, Licencing charges). These chargeable amounts reduce in-line with the lockdown restrictions and implications. Across the Council each service has direct visibility of the customer base and how that has changed.</p> <p>We follow industry standards in terms of our approach to collect debt. This includes Courts agreeing the issuance of liability orders. As the courts were postponed due to Covid, this delayed our ability to issue summons (impacting our ability to collect debt, which is impacted by the issuance of summons). Court activity has resumed, however collection of debts for 20/21 have been impacted. Customers ability to pay in many cases has reduced (commercial and personal) through loss of personal income, loss of business (trade).</p> <p>Prior to Covid-19 our total liabilities remained quite stable and easy to project, however we have seen increases of circa 3% in respect personal debt, and circa 8% in respect business debts.</p>	<p>Current Score: L:4 I:5 Target Score: L:3 I:4 Gap to target: L:1 I:1</p>	<p>Treatment Cycle in place to facilitate the collection of debt, under industry standards.</p> <p>Option to issue summons and/or liability orders.</p> <p>Resumption of Court processes (21/22), including Attachment of earning, Attachment of benefits.</p> <p>Enforcement agents – suspended visits due to Covid measures.</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Implementation of Breathing Space regulations to support our residents in debt</p>	<p>Support residents experiencing debt</p>	<p>None</p>	<p>D.Hodgkinson</p>	<p>4th May 2021</p>	<p>Implementation</p>	
<p>Review of debt management policies and procedures</p>	<p>Reduction in outstanding debt</p>	<p>Project management</p>	<p>D.Hodgkinson</p>	<p>31st October 2021</p>	<p>Planning</p>	

Risk Information Risk Title – Covid-19 Financial Impact (Public Realm)	Risk Scores	Existing Controls				
<p>Risk - Significant budget overspend in Environment and Regeneration 2020/21</p> <p>Cause - Change in motorists behaviours post Covid-19 Lockdown</p> <p>Consequence - A reduction in enforcement to support free key worker parking. Loss of income which would impact our ability to fund our services and meet the needs of residents.</p> <p>Risk Update -</p> <p>Total loss in income is estimated at circa 11.2m for 2021 (37% income reduction in short stay parking circa £4m drop in income expected for 2021, reduction in Permits circa £1.5m and On-street Enforcement and CCTV income is expected to reduce by circa £5.4m).</p> <p>Motorist's behaviour continues to be influenced by Covid-19, in addition the number of vehicles travelling in London has reduced due to the Diesel surcharge, ULEZ, Congestions charge extension continued.</p> <p>After the 1st lockdown eased we returned to approximately 80% levels, the current lockdown has reduced the number of vehicles in the borough. Increase in the use of digital technology for parking vouchers (visitors). Continue to provide free key worker parking.</p>	<p>Current Score: L:4 I:5</p> <p>Target Score: L:4 I:3</p> <p>Gap to target: L:0 I:1</p>	<p>As traffic volumes increase in the coming months we expect a change in motorist behaviour. The Council has a People Friendly Street Programme (Low Traffic Neighbourhoods, School Streets and the lorry control programme) which will be rolled out. – continue to progress the roll-out.</p> <p>In order to support the above measures we are implementing a recovery plan for enforcement services and monitoring via our parking account scrutiny board. Pro-active monitoring of motorists behaviour (PCN and Short-Stay parking monitoring).</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Continue to implement planned public realm savings projects	Reduce Impact	Staff	K.Townsend	Ongoing	In progress	
Progress review of parking charges	Reduce Impact	Staff	K.Townsend	April 2021	In progress	

Risk Information Risk Title – Decline in Local Business Resilience	Risk Scores	Existing Controls				
<p>Risk - Increase in economic inequalities and significantly reduced economic wellbeing</p> <p>Cause - Economic slowdown and ending of furlough/business support programmes , leading to increased unemployment and business failure. Lack of confidence (investors and developers)</p> <p>Consequence - Significant increase in poverty and unemployment across Islington, increasing demand for Council services. Employment spaces not utilised and optimised. Potential loss of income for the Council.</p> <p>Risk Update -</p> <ul style="list-style-type: none"> • Implementation of government funding Covid-19 schemes, distributing grants to over 5,500 local businesses since November • Facilitation of business network meetings, through town centre groups and local representative groups • Distribution of regular e-bulletin to over 3,000 local businesses, providing latest information on support available • Delivery of free webinars on digitisation, and piloting new 'shop local' online platforms to support independent stores as part of wider 'Shop Local' campaign • Initiation of 4-borough partnership to promote access for under-represented groups into the tech and knowledge-led sectors • Launch of re-vamped employment portal to promote local recruitment and employment support • Increased partnership working in priority employment sectors (construction and healthcare) to increase local employment and skills outcomes • Successful joint pilot projects with FE college to increase access to English as a Second Language, and tech boot-camps. 	<p>Current Score: L:4 I:4</p> <p>Target Score: L:4 I:3</p> <p>Gap to target: L:0 I:1</p>	<p>Distribution of central government resources i.e. the small business support schemes</p> <p>Development of bespoke re-opening advice and business adaptation advice</p> <p>Online offer in respect of employment support and working with housing to target council tenants and our street population</p> <p>Seeking funding to support businesses and to help residents get back into work.</p> <p>Re-scoped existing inclusive knowledge economy project to respond to emerging opportunities in life sciences.</p> <p>Re-scoping social value expectations from affordable workspace portfolio</p> <p>Skills Strategy - Development of skills strategy to focus on supporting residents including priority groups, newly unemployed and those who need re-skilling to change sector.</p> <p>Progressive procurement strategy implementation plan will include priority for local employment through council supply chain.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Continue to monitor central government advice and implement grant schemes as appropriate	Reduce Impact	Staff	S.Biggs	Ongoing	In Progress	
Engage with Islington Working Partnership to further develop approach to supporting BAME communities and parents into work	Reduce Impact	Staff	S.Biggs	July 2021	In progress	
Develop supply chain engagement to promote local employment targets	Reduce Impact	Staff	S.Biggs	October 2021	In progress	

Risk Information Risk Title – Youth crime and serious youth violence	Risk Scores	Existing Controls				
<p>Risk - Increase in crime and harm from Serious Youth Violence. A perceived failure to respond adequately to/prevent crime involving young people, despite extensive investment in services & well publicised plans.</p> <p>Cause - Early childhood trauma, disrupted attachment may lead to children unable to self-regulate; therefore more likely to offend. Contextual factors e.g. living in high crime neighbourhoods, poverty and discrimination. Interventions are not sufficiently tailored or impactful.</p> <p>Consequence - Media coverage contributes to fear of crime, negative attitudes towards young people compounding the issues they face. More young people in criminal justice system and disproportionate impact on BAME communities</p> <p>Risk Update - Youth Safety Strategy launched in November 2020. Reductions in crime: (Dec 20 v Jan 19) –; 18.1% youth violence; -21.5% Knife crime offences Face to face work with vulnerable young people continued during lock down Covid significantly impacting young people’s mental health and wellbeing. Concern that there will be an increase in youth violence when lockdown ends.</p>	<p>Current Score: L:4 I:4 Target Score: L:3 I:3 Gap to target: L:1 I:1</p>	<p>New five-year Youth Safety Strategy launched in November 2020, focused on protecting our children and young people from violence, abuse and exploitation. It includes a comprehensive partnership action plan that will be overseen by the Youth Safety Delivery Group to keep track of progress and drive improvements, hand-in-hand with community partners and statutory organisations. The strategy builds upon our practice models especially the trauma informed approach and is based on our own academic research about ‘what works’</p> <p>Islington has seen continued reductions in First Time Entrants to the Youth Justice System and Custodial numbers are down</p> <p>The Violence Reduction Unity (VRU) Parental Support project in Islington and Camden extended until March 2022 with overall funding increased to £500k</p> <p>Minority Matters have trained 25 parents from the Somali Community through the VRU Parent Champion network project.</p> <p>VRU also used to sustain the Transition to Secondary school project. and to now supporting families affected by child to parent violence</p> <p>The Met police Violence Suppression Unit (VSU) dealing with high harm offenders and groups with covert operations continuing.</p> <p>Co-location of 2 police officers in Community Safety & ASB teams ASB early warning system introduced to collect information on emerging issues that are shared with our partners</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Implementation of the Youth Safety Strategy</p>	<p>Reduce overall score</p>	<p>Staff</p>	<p>C.Littleton</p>	<p>Ongoing</p>	<p>In Progress</p>	

Risk Information Risk Title – Financial Resilience of Residents	Risk Scores	Existing Controls				
<p>Risk – Failure to appropriately support residents to be financially resilient</p> <p>Cause - Government policy, Covid-19 (accelerated number of UC applications and increasing unemployment), wider economic environment,</p> <p>Consequence - Vulnerable residents fall into significant new financial hardship. Evictions/homelessness may increase. Declining physical/emotional wellbeing of residents. Arrears/economic hardship may increase the debt position towards the Council, reducing ability to fund services.</p> <p>Risk Update –</p> <p>With increasing unemployment across the country and some of the central government key Covid-19 support coming to an end in the next few months. Covid-19 and the wider economic environment continue to increase the challenge for residents to remain financially resilient. We have developed a number of Economic Wellbeing workstreams to support residents during these challenging times to help them improve their financial resilience. These workstreams cover –</p> <ul style="list-style-type: none"> -Crisis Support – Utilising RSS funding to provide support for residents in severe financial hardship -Using this as a lever to signpost / refer to wider support -Maximising the use of hardship funding across the borough – both LBI and VCS -Administering government Covid grants effectively to support vulnerable residents -Income maximisation - Ensuring low income households access the support they are entitled to -Creating an integrated benefits and assessment team -Managing household finances – Exploring opportunities for joined up debt management approach -Communicate ways households can build up some financial resilience <p>With regards to Universal Credit, in response to Covid-19 Government have suspended the eviction of tenants and extended all notices to 6 months. In addition Universal Credit standard allowance has been uplifted by £20 per week until September 2021 to support claimants through the pandemic. The furlough scheme has been extended to September 2021, Working Tax Credit claimants will get a one off £500 payment by mid-April 2021. UC advances repayment period extended from 12 months to 24 months from April 2021. The maximum UC deduction rate will fall to 25% from April 2021. UC suspension of minimum income for self-employed people extended to August 2021</p>	<p>Current Score: L:4 I:4</p> <p>Target Score: L:4 I:3</p> <p>Gap to target: L:0 I:0</p>	<p>Residents Support Scheme provides a safety net covering crisis awards, community care awards (household goods), discretionary housing payments and council tax welfare for severe financial hardship.</p> <p>The Residents Support Scheme has been opened up to direct referral during the Covid period. A range of council department and voluntary sector partners also refer in. Crisis award values have been increased and volume of crisis awards has increased x10 during 2020/21.</p> <p>Data led approach to making pro-active contact with cohorts of residents who appear entitled to additional benefits. Benefit take-up campaigns.</p> <p>Council Tax Support policy provides support to low income households</p> <p>A claim for universal credit is treated as a claim for council tax support</p> <p>Co-ordinated cross council approach to working our partners to support residents, including partnership work with voluntary sector to provide access to employment advice and access to food banks for residents in need.</p> <p>Ongoing liaison with Department for Work and Pensions to discuss Universal Credit issues.</p> <p>Updated communications to make residents aware of money advice.</p> <p>Reporting to Policy & Performance Scrutiny Committee on impacts of universal credit.</p> <p>Covid hardship grants distribution.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Fully utilise Residents Support Scheme funds to provide a safety net to low income households	Reduce impact	Staff/IT	S.Biggs	Ongoing	On track	
Launch further benefit take up campaigns to maximise residents income	Reduce impact	Staff/IT	S.Biggs	March 22	On track	
Implemented Council Tax Support hardship fund providing £2.6m of council tax rebate in 2020/21	Reduce impact	Staff/IT	S.Biggs	2020/21	On track	
Explore options for improving residents financial resilience	Reduce impact	Staff/IT	S.Biggs	March 22	On track	
Online direct debits will be introduced as part of Northgate Online, which will be delivered during 2020. Staff have been trained as Digital Champions, which includes support to those who require it.	Reduce impact	Staff /IT	M.Holdsworth	Dec 2021	In progress	
Restructure Income services to include Universal Credit support team for council tenants	Reduce impact	Staff	M.Holdsworth	Late 2020	Delayed	

Risk Information Risk Title – Housing Delivery Test	Risk Scores	Existing Controls				
<p>Risk - Failure to meet a three-year rolling housing targets in line with the national requirement Cause - Shortage of sites/available land for housing over a number of years and some market turbulence</p> <p>Consequence - Inability to meet our commitment to residents. A weakening position over time to secure planning benefits (including affordable housing from any site and our ambitious policies in the new local plan would not be given full weight in the planning process</p> <p>Risk Update – Figures for Housing Delivery Test (19/20) show we have failed to meet our delivery targets. The figures published by MHCLG are incorrect, Islington's delivery figure for 2019/20 is much lower (in reality the under delivery is even greater than shown). and we are working with GLA to correct the figures. The correct figures are set out in our own Housing Trajectory, which has been published as part of the Local Plan consultation on 19 March.</p> <p>Going forward our delivery target has been reduced though the London Plan, reducing the risk in the longer term.</p> <p><i>Subject to legal clearance 6/4 - We have identified an error in the figures and have requested that they are reviewed, the under delivery is higher than reported. The policies in the Local Plan which relate to housing delivery may not been given full weight.</i></p>	<p>Current Score: L:4 I: 4</p> <p>Target Score: L:3 I:3</p> <p>Gap to target: L:1 I:1</p>	<p>The Government introduced a new Housing Delivery Test (HDT) as part of changes to the NPPF in 2018. As part of the HDT a number of measures were introduced:</p> <ul style="list-style-type: none"> -Authorities that fall below 95% delivery are required to produce an action plan to assess the causes of under-delivery and identify actions to increase delivery in future years; -Where housing delivery falls below 85% a 20% buffer is required to be added to the 5 year housing land supply; -- If an authority's housing delivery falls below 25% (based on November 2018 HDT figures); 45% (based on November 2019 HDT figures) or 75% (from November 2020 HDT figures onward), the presumption in favour of sustainable development is applied. <p><i>If correct figures are taken into account, Islington has delivered less than 75% and the presumption in favour of sustainable development would apply.</i> <i>In practice, this does not mean that the Local Plan will be disregarded, but – depending on a number of factors - it may not be given full weight.</i> <i>In Islington we can demonstrate that housing supply was a temporary issue, particularly with the transition to a new lower housing target and that that failure of the housing delivery test will not persist into the future.</i></p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Adoption likely towards the end of 2021 or early 2022, depending on the outcome of the hearings.</p>	<p>Reduce overall score</p>	<p>Staff</p>	<p>S.Biggs</p>	<p>Ongoing</p>	<p>Not Started</p>	

Risk Information Risk Title – Leisure Provision Closure	Risk Scores	Existing Controls			
<p>Risk - Loss of rent and service from leisure operator (GLL) for leisure centres</p> <p>Cause - The closure of leisure facilities and swimming pools as a result of Covid-19 and future financial viability of GLL as a result of loss of income.</p> <p>Consequence - Financial loss to the Council – complete loss of service for residents.</p> <p>Risk Update - Reopened centres on the 25th July 2020, under Covid guidelines/measures. Income reached a peak in September, GLL undertook a business re-shape to reduce expenditure. Income levelled off in October, then stopped in November due to national restrictions. Re-opened early December at the end of lock-down 2, into Tier 3, then national lockdown three was implemented in December. Total trading during 2020/21 financial year our leisure centres were open for 4 months out of 12. We continue to support GLL under an open book arrangement, with a deferral of the rent payments due. Leisure contract recovery report will analyse performance pre/post Covid-19 and facility usage levels, we have been reviewing our leisure estate to look at facilities options. Highbury leisure centre refurbishment has now been completed and will be available to residents once restrictions allow, this will support GLL business recovery. In order to support resident’s wellbeing and health we have promoted the access to parks during lockdown.</p>	<p>Current Score: L:4 I:4</p> <p>Target Score: L:2 I:3</p> <p>Gap to target: L:2 I:1</p>	<p>Cross London GLL Panel – all boroughs which utilise GLL meet on a regular basis to share best approaches and insight.</p> <p>Regular client meetings.</p> <p>Formal review points agreed (performance)</p> <p>Review of facilities options</p> <p>Review of leisure strategy</p> <p>Analysing GLL’s organisational position</p> <p>Deed of Variation agreed and signed to agree the terms of support.</p> <p>National leisure recovery fund – providing support for GLL. – Government funding</p>			
Action	Expected impact	Resources required	Owner	Due Date	Status
Leisure recovery strategy	Reduce overall risk	Staff	K.Townsend	July 2021	In progress
Monitoring of GLL’s financial position	Reduce overall risk	Staff	K.Townsend	Ongoing	In progress

Risk Information Risk Title – Safeguarding Children	Risk Scores	Existing Controls			
<p>Risk Ineffective protection of children and parents</p> <p>Cause Non-compliance with procedures, exacerbated by Covid-19.</p> <p>Consequence Significant harm to a child(ren)</p> <p>Risk Update: During lockdowns contacts to Childrens Social Care Team have dropped by approx. 25% as professionals (schools/health) are not seeing children as frequently as usual. However referrals to social care have only dropped by 14%, child protection enquiries have not decreased, indicating that where children are at risk of significant harm they are referred into the service and appropriate investigations are undertaken. The complexity of need has increased. Staffing has consistently been at a level where we are able to respond to safeguarding concerns and comply with procedures.</p> <p>There have been significant delays in court proceedings meaning children have stayed in care for longer and the lack of certainty about their permanent family could be emotionally harmful.</p> <p>Covid-19 and the lockdown restrictions have increased pressures on families which may lead to an increase in poverty, domestic violence and contextual safeguarding risks.</p>	<p>Current Score: L:3 I:5</p> <p>Target Score: L:2 I:5</p> <p>Gap to target: L:1 I:0</p>	<p>Robust Quality Assurance processes in place. Training and development processes in place which give ongoing assurance regarding quality of work and adherence to legal framework The JTAI action plan is in place, it is multi agency and being monitored through the ISCB. The ILACs Ofsted action plan is in place All QA and monitoring processes continue to be in place. Workforce strategy in place. Additional Controls for Covid-19</p> <ul style="list-style-type: none"> • Close liaison with family courts to ensure cases which can be heard progress to final hearing so children are afforded permanency. • Pro-active assessment of prospective adopters so there isn't a backlog of children being adopted. • Family and friends carers continue to be assessed. • Increased staffing capacity within looked after children's service to ensure quality. • Placements sufficiency strategy (additional resources in our placement team and commissioning external review). • Launched fostering recruitment strategy • Social Care grant dedicated £500k for our looked after children's and specialist foster carer schemes. • Increased mental health and clinical support in care leaving service for UASC children. Specialist UASC project officer funded by Home Office. • National safeguarding campaign for children, undertaking face to face and virtual meetings with children we know. • Our Early help services are reaching out to families. <p>EU SS for children looked after and care leavers is monitored monthly by the Director of Safeguarding and the Corporate Director of People.</p>			
Action	Expected impact	Resources required	Owner	Due Date	Status
Children looked after transformation	Reduce number of children looked after and caring for those who need to come into care locally	Staff/Finance	C.Littleton	Ongoing	In Progress
Data and performance monitoring changed to track more closely key data during Covid-19	Reduce Likelihood	Staff	C.Littleton	Ongoing	In Progress

Risk Information Risk Title – Covid-19 Financial Impact	Risk Scores	Existing Controls			
<p>Risk - Significant budget overspend in 2020/21</p> <p>Cause - Loss of income (including council tax/business rates income) and additional incurred costs to support residents during Covid-19.</p> <p>Consequence - The Council may not have sufficient resources to fund all of its priorities</p> <p>Risk Update - It is now forecast that the 2020/21 budget position can be balanced without calling on general balances. Rather than a one-off event that the council's budget is recovering from, COVID-19 will continue to have a significant ongoing impact on the council's budget for the foreseeable future. The single biggest Covid-19 related budget risk for the council is around potential Material Change in Circumstance (MCC) reductions to the rateable values of business premises. This could result in significant reductions to the council's business rates income in 2020/21 and 2021/22 (although it would not impact the council's budget until at least 2022/23 due to accounting arrangements).</p>	<p>Current Score: L:3 I:5</p> <p>Target Score: L:2 I:3</p> <p>Gap to target: L:1 I:1</p>	<p>The Corporate Management Board, the Executive and the Policy and Performance Scrutiny Committee (PPS) closely monitor financial performance delivering robust financial monitoring on a monthly basis.</p> <p>Members and Officers have been working with other local authorities and bodies to lobby for additional funding, including on the MCC appeal issue.</p> <p>The council has recently approved a balanced budget for 2021/22 which includes additional contingency provision for Covid-19 budget pressures/risks and a medium-term financial strategy to strengthen financial resilience in reserves.</p>			
Action	Expected impact	Resources required	Owner	Due Date	Status
Lobbying for additional funding (MCC)	Reduce impact	Staff	D.Hodgkinson	Ongoing	In progress

Risk Information Risk Title – Cyber and Data Security	Risk Scores	Existing Controls				
<p>Risk - Process Control Networks and/or Critical Information Assets may be compromised</p> <p>Cause - Computer-based unauthorised access or malicious modification of code</p> <p>Consequence - Denial of Service, data breach, reputational damage, disruption of service(s)</p> <p>Risk Update - We continue to review and enhance our Cyber and Data Security approach, recent activity has included:</p> <ul style="list-style-type: none"> • An uplift in our Cyber defences • Enhanced implementation of two factor Authentication with expiry. • Geo fencing to reduce offshore attacks • Operating system upgrade programme (PSN Programme) • IT health-checks • Backup system review 	<p>Current Score: L:3 I:4</p> <p>Target Score: L:3 I:3</p> <p>Gap to target: L:0 I:1</p>	<p>Islington council has all of the normal cyber security controls expected on an organizations network. Such as access controls, computer controls, anti-virus controls, email and web filtering, firewalls, Denial of service protection, backup controls.</p> <p>These controls are supported by processes such as service delivery, change control processes, technical design processes which are operated by IDS personnel. Together these manage the organizations cyber security risk. These controls are regularly monitored, tightened and improved to deal with the changing levels of threat.</p> <p>Additionally data (at-rest) on PC's is protected by encryption (MS BitLocker) and data exchanged between PC's WFH and the council's network is protected by VPN/TLS (in-transit) encryption.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Enterprise Resource Planning outline business case has been approved. Procurement will progress for appropriate system.	Reduce Impact	Staff	D.Hodgkinson	Ongoing	In Progress	

Risk Information Risk Title – Diversity and Inclusion	Risk Scores	Existing Controls
<p>Risk - Failure to attract and retain the diverse talent we need at every level of the organisation to deliver our services</p> <p>Cause - Low turnover resulting in limited opportunities for progression No management or leadership programmes in place to support progression No mentoring schemes in place. Lack of resources to deliver the required strategic approach to workforce planning. Lack of engagement by some directorates in apprenticeship programmes. Limited use of social media and modern attraction mechanisms. Inexperienced and non-diverse panel members</p> <p>Consequence - We will be unable to realise the benefits of a diverse and inclusive workforce in shaping and delivering our services.</p> <p>Risk Update - Turnover has been low as a result of Covid-19, providing limited opportunities for progression. The SLT restructure has presented an opportunity to recruit to 10 senior posts.</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:3</p> <p>Gap to target: L:1 I:1</p>	<p>The new 'Challenging Inequality Programme now has a formulated workstream on 'Islington as an Employer' which includes a range of measures to improve equality, diversity and inclusion. The Programme Board ensures that workstreams remain on course with their action plans. This monthly meeting has robust governance and a clear focus.</p> <p>The Public Sector Equality Duty (PSED) and Gender Pay Gap reports will incorporate an annual workforce equality plan. Both are reported annually to the Council's Audit Committee.</p> <p>The Corporate Management Board is now in receipt of quarterly HR reports including information in relation to equalities in order to monitor progress.</p> <p>DMTs review staff data on a monthly basis in order there is greater focus on monitoring equalities within departments.</p> <p>Internal first approach and diverse panels introduced in late 2020</p>

Action		Expected impact	Resources required	Owner	Due Date	Status
Deliver the Islington as an Employer workstream	Reduce L and I by 1	Existing staff resource		D.Hodgkinson	December 2021	On track
Refresh and modernise recruitment policy, procedure and approach including social media strategy	Reduce L and I by 1	Existing staff resource		D.Hodgkinson	May 2021	On track
Launch Islington Management Diploma, Leadership programme and Management Modules for existing/aspiring managers	Reduce L and I by 1	Existing staff resource	Use of Apprenticeship Levy Funding Commissioned training costs (already budgeted)	D.Hodgkinson	April 2021	On track
Reciprocal mentoring	Reduce L and I by 1	Existing staff resource	EDI partner (already budgeted)	D.Hodgkinson	June 2021	On track
Develop Diverse Recruiter's Scheme to include question banks around CARE values and training for panel members	Reduce L and I by 1	Existing staff resource		D.Hodgkinson	May 2021	On track
Ensure workforce planning is built into new HR structure	Reduce L and I by 1	Existing staff resource		D.Hodgkinson	June 2021	On track
Cultural Competence Training	Reduce L and I by 1	Existing staff resource		D.Hodgkinson	June 2021	On track

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Risk Information Risk Title – Social Inequalities	Risk Scores	Existing Controls				
<p>Risk - Failure to challenge and address social inequalities in Islington</p> <p>Cause - Poor prioritisation, lack of clear governance, and/or detailed project/programme management, broader external social issues/change leading to increasing inequalities</p> <p>Consequence - Loss of community confidence in the Council. Poor outcomes for residents.</p> <p>Risk Update - Designed the programme, agreed a programme of actions that enable us to challenge and address inequality. We have implemented a governance framework that allows us to shape, drive and monitor progress. Developed our Challenging Inequality Strategy. Established the coalition to enable us to work closely with the community Created mechanisms to allow input from our staff forums. Established Challenging Inequality Partnership group to ensure partners play their part in our programme. Developed an outcomes framework to monitor progress (CMB and Race Equality Working Group)</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:2</p> <p>Gap to target: L:1 I:0</p>	<p>Challenging Inequality Programme to drive action across the Council, ensuring the equality agenda remains a priority for the Council.</p> <p>Challenging Inequality programme board</p> <p>Directorate Leads</p> <p>Clear Programme plan - including as employer, strategic leader and as a service provider.</p> <p>Through the boards, will be monthly progress and review.</p> <p>Race Equality Staff Network</p> <p>Race Equality working group (member led)</p> <p>Disability forum</p> <p>LGBT network</p> <p>Womens network</p> <p>Challenging Inequality Coalition with community</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Ensuring the Challenging inequality Programme delivers tangible action and improvement in outcomes</p>	<p>Reduce Likelihood</p>	<p>Staff/Policy</p>	<p>A.Buxton-Jennings</p>	<p>Ongoing</p>	<p>In progress</p>	
<p>Continue to review data and feedback from residents to ensure that we are responsive to the needs of our residents</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>A.Buxton-Jennings</p>	<p>Ongoing</p>	<p>In progress</p>	

Risk Information Risk Title – Serious information breach or non-compliance with legislation	Risk Scores	Existing Controls				
<p>Risk - The Council does not keep sensitive and/or personally identifiable information secure</p> <p>Cause - Non-compliance with policy and procedures,</p> <p>Consequence - Fine, Reputational Damage</p> <p>Risk Update - Remote working presents a challenge in terms of non-compliance to procedures (monitoring of compliance). No data breaches have been reported to the ICO since the last report. Covid-19 – continues to present the need for the Council to share and receive additional personal data with partners in order to support the government’s response to the pandemic. The Information Governance team has provided guidance and oversight to ensure data processing adheres to legislation. EU Exit – we are awaiting the EU’s decision regarding the UK’s adequacy decision (data transfers and flows from the EEA to the UK may be impacted if the EU do not grant an adequacy decision). We have reviewed all systems that store data to identify any that had servers located in the EEA, no key line of business systems were located outside the UK We have implemented a ‘UK first’ approach to servers for all new systems purchased since late 2018. The EU has agreed that data flows can continue in an unrestricted manner until June 2021 at which point a decision on adequacy will be made. The Information Governance Team is keeping a close eye on developments but the risk to the council is considered to be low even if the UK does not achieve an adequacy decision.</p>	<p>Current Score: L:3 I: 4</p> <p>Target Score: L:3 I:4</p> <p>Gap to target: L: I: 0 –</p>	<p>The new SIRO formally started on 20 April 2020. The Information Governance Board is in place to ensure that the SIRO receives assurance that the council is managing all information risks and complying with legislation. The Board also reviews any new risks to compliance – both DP and FOIA. IG support roles across the organisation are currently under review to ensure that the right people are in the roles and have the capacity to delivery tasks against their day job. The Retention schedule continues to be reviewed, a new version is due to be published by end March 2021. Timeliness of FOIs and SARs – this continues to be monitored – new case management system was introduced in January 2021 which will take some time to bed in before the effects are realised. Monitoring of ICO guidance – is ongoing Embedding of the accountability principle – this continues</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
<p>Review approach to IG training to create a comprehensive and responsive package of training available to staff</p>	<p>The council will have a range of training for staff to ensure they understand their obligations under information and data protection legislation. IG Team will be able to issue training messages to staff in response to specific incidents</p>	<p>Staff</p>	<p>D.Hodgkinson</p>	<p>End June 2021</p>	<p>In Progress</p>	
<p>To create a communications plan that ensure proactive communications with all staff at key points during the year</p>	<p>Staff receive regular reminders on the importance of IG</p>	<p>Staff</p>	<p>D.Hodgkinson</p>	<p>End June 2021</p>	<p>In Progress</p>	

Risk Information Risk Title – Response and resilience	Risk Scores	Existing Controls				
<p>Risk - There is a risk we are not able to recover critical internal processes or respond effectively to a major incident following a disruptive event (internally/externally) within a suitable timeframe</p> <p>Cause - Inadequate business continuity (BC) planning and disaster recovery</p> <p>Consequence - Damage to reputation, resident safety, increased cost for response due poor planning, unacceptable response time.</p> <p>Risk Update - Covid support - Islington continue to operate its emergency command structure throughout Covid.</p> <p>Establishment of the PCR mass testing sites (Sobel Centre and Finsbury Leisure Centre), manage liaison with community, out of hours and day to day issues. Established sites for the lateral flow testing programme across the borough, organising logistics.</p> <p>Managed logistics for the roll out of lateral flow testing programme in all secondary schools, providing all the required equipment for January opening (restricted). We are supporting schools with ramping up lateral flow testing to support full return to school in March.</p> <p>Supporting lateral flow testing in prisons, assisted with outbreaks.</p> <p>Producing a plan for surge testing (operation Eagle) to support easing of lockdown.</p> <p>Encouraged a review of BC Plans after first wave to ensure learning is captured.</p> <p>Continue to manage provision of PEE to Care homes, domiciliary care and front line services.</p> <p>Management of Covid marshals scheme; recruitment plan, training.</p> <p>Business as usual activity: The Emergency Response team have responded to a couple of large incidents in the community.</p> <p>Brexit contingency planning was undertaken and stood up at the end of December 2020.</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:4</p> <p>Gap to target: L:1 I:0</p>	<p>Business Continuity plans are in place, however arrangements for business continuity are being reviewed to enhance our approach to resilience and improve consistency across our services, including a review of the Islington Resilience Board.</p> <p>We are fully compliant with EP 2020 requirements</p> <p>We undertake lessons learned review after any incidents.</p> <p>Considering redeployment of staff to support surge test planning.</p> <p>Maintain increased capacity of LALO's to support function.</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Develop a recovery group</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>K.Townsend</p>	<p>Summer 2021</p>	<p>In progress</p>	
<p>Review options for emergency generator at 222</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>K.Townsend</p>	<p>Ongoing</p>	<p>In progress</p>	
<p>Consider exercise of BC plans</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>K.Townsend</p>	<p>Summer 2022</p>	<p>Not started</p>	

Risk Information Risk Title – Safeguarding Adults	Risk Scores	Existing Controls				
<p>Risk - Failure to fulfil our statutory obligation to identify or respond to significant preventable harm to adults at risk of abuse</p> <p>Cause - Provider Failure, significant provider concerns around quality of care, Non-Compliance with procedures, inadequate IT systems.</p> <p>Consequence - Risk to Individual, Reputational. Financial.</p> <p>Risk Update – We have continued production of additional guidance to assist staff to carry out safeguarding duties with confidence. We have created a quality assurance process for all packages of care and placement decisions which enables a positive risk taking and strengths based approach to our interactions with service users and carers</p> <p>In order to Join up between areas of shared concern during COVID for adults and childrens services we have utilized partnership meetings</p> <p>Spot Provider Monitoring Calls are taking place to ensure providers have wrap around support during COVID</p> <p>Social Work Teams and in house services continue to proactively check on people who are known to be particularly vulnerable.</p> <p>Ethical Framework is being promoted to all professionals to increase practice that is respectful, proportionate, collaborative, and person-centered and seeks to minimise harm.</p> <p>Additional support is now available for social workers responding to complex and high-risk domestic abuse concerns across adults and childrens services. Daily Safeguarding meetings have commenced in January, these replace the monthly MARAC meeting and have produced significantly better outcomes for vulnerable victims of DV who no longer need to wait up to a month for their case to be heard and protection plans to be implemented.</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:3 I:4</p> <p>Gap to target: L:0 I:0</p>	<p>Adult Social Care and the Safeguarding Adults Board are represented at the Safer Islington Partnership, Islington Safeguarding Children’s Board, MARAC Steering Group, VAWG Board, Community Safety Partnership Board and PREVENT</p> <p>We are working with providers to help viability.</p> <p>Continuous cycle of placement reviews and frequent case audits.</p> <p>Practitioner forums</p> <p>Partnership Board, this has helped us to improve our joint working and strategic decision making.</p> <p>Monthly Meeting with those involved in registered care settings including partners in health, CQC and Healthwatch - Early stage intervention and escalation.</p> <p>Quality Assurance Framework for Adult Safeguarding is being incorporated into a new department wide Quality Assurance Framework</p> <p>Safeguarding Adults procedure and relevant ADASS guidance in place.</p> <p>Interactive training for staff on implementing the Mental Capacity Act and Safeguarding Adults in practice</p> <p>Improving connections meetings. These have been suspended due to COVID</p> <p>Carenotes database in place</p> <p>Covid-19 controls</p> <p>Additional support from paid advocates in care homes where their relatives usually provide advocacy, this has brought significant additional reassurance for relatives who have been unable to visit their loved ones.</p> <p>We have produced a range of information/ guidance for staff and are delivering video based practice clinics to support social workers undertaking safeguarding enquiries.</p> <p>We enhanced support for providers including having daily briefings, supplying PPE and Coordinating of Deliveraid for care home staff to receive hot meals</p> <p>Our training converted to video platforms with a significantly higher update than previously</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Implementing Making Safeguarding Personal using a strength based approach and utilising a Trauma Informed Approach.</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>C.Littleton</p>	<p>Ongoing</p>	<p>In progress</p>	
<p>Modern Day Slavery rolling out a specialised training and guidance package for staff to ensure that staff are able to respond appropriately to concerns relating to trafficking and slavery of vulnerable groups</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>C.Littleton</p>	<p>Ongoing</p>	<p>In progress</p>	
<p>We are preparing for delivery of training for the new Liberty Protection Safeguards all relevant staff once the new Code of Practice is published.</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>C.Littleton</p>	<p>Delayed</p>	<p>Delayed</p>	

Risk Information Risk Title – New Homes Programme	Risk Scores	Existing Controls				
<p>Risk- Delay or Inability to deliver the New Build Programme, quality, time and - cost.</p> <p>Cause - Resourcing, contractor failure, delay in planning approval, poor resident engagement.</p> <p>Consequence - Reputational damage, service delivery. Loss of opportunity for residents</p> <p>Risk Update: The Programme Management Office (PMO) team is now fully established, this team have implemented a risk management framework for the programme. Some other key posts in the restructure are recruited and appointed pending start dates, these roles will focus on improving quality and monitoring costs. There have been no direct implications to the cost and/or supply of materials from the EU Exit. We have seen a reduction in the number of EU Exit specific contract clauses as we move forward. We continue to monitor the impact on the labour market, to date the EU exit has not caused a noticeable impact, however this may change over time as the settled status deadline approaches in the summer. There were a couple of contracts which were delayed during the EU Exit negotiations, these have now been progressed</p> <p>From mid-May all the Council's construction sites remained open, they adapted to working in a Covid secure way. They have however been unable to meet pre-Covid programme rates for construction. All projects on-site have significant delays and reduced expenditure.</p> <p>The council has one scheme currently being marketed for sale, sales have continued at a reduced rate, we are realising values at circa 5% less than asking price (in-line with London wide trends).</p> <p>All schemes will include any regulatory changes during the consultation phase, in respect of the build-over projects the implications of any regulatory changes are being considered.</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:3 I:3</p> <p>Gap to target: L:0 I:1</p>	<p>Employed a communications officer to improve resident engagement.</p> <p>Engaged a team of architects to review opportunities for building, reviewing different building techniques.</p> <p>Programme Board (NHB) Chaired by Cllr Ward, provide challenge and oversight.</p> <p>Reporting improved to provide better oversight (strategic information). Quality, schedule, cost. Meet bi-monthly.</p> <p>Programme structure includes contingency.</p> <p>Project Board, Operational focus review all schemes, meet bi-monthly</p> <p>Communications strategy</p> <p>Additional controls are being put in place to monitor the effectiveness of engagement during the Covid-19 pandemic</p> <p>Covid-19</p> <p>Regular contact with contractors and review of their response to approved industry guidelines for construction during Covid-19 (CLC SOP v.4)</p> <p>Working with employers agents to understand industry trends.</p> <p>Checking environmental impacts of constructions for those who are shielding.</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Increase project management capacity</p>	<p>Reduce Impact</p>	<p>Staff/Budget</p>	<p>M.Holdsworth</p>	<p>June 2021</p>	<p>In Progress</p>	
<p>Review timing of delivery to reflect Covid delays to construction</p>	<p>Reduce Impact</p>	<p>Staff</p>	<p>M.Holdsworth</p>	<p>Ongoing</p>	<p>In Progress</p>	

Risk Information Risk Title – Social Care Market Instability	Risk Scores	Existing Controls				
<p>Risk – Significant provider failure/ withdrawal of providers</p> <p>Cause – Financial strains causing providers to withdraw from the market</p> <p>Consequence – Safeguarding risks to individuals, Financial.</p> <p>Risk Update - In view of the COVID-19 pandemic, regular weekly reporting to both ASC Silver and LBI GOLD meetings have taken place to update on the position with regards in particular to the care home and domiciliary care providers.</p> <p>Regular Communication arrangements have been in place to keep in touch with providers and identify any potential issues that may arise.</p> <p>Contract monitoring has been taking place despite access issues, virtual visits have enabled visual contact and review where appropriate to be maintained.</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:3</p> <p>Gap to target: L:1 I:0</p>	<p>We are working with the provider market to ensure as wide a range of providers as possible to reduce the risk of adverse impact if providers withdraw from the market, this has seen a significant increase in spot providers, particularly in the domiciliary care market. .</p> <p>We have regular provider forums and have increased opportunity to have 1:1 discussions with providers during the Covid-19 pandemic so concerns and risks can be addressed quickly.</p> <p>We have regular RADAR meeting with the wider health and social care MDT and CQC which enable us to share intelligence about providers and respond quickly and collectively.</p> <p>We have contingency plans in place to manage either provider failure or provider withdrawal from the market. These plans have been implemented on two occasions and the transfer of care has been safe and successful on both occasions.</p> <p>We are currently reviewing our existing model of homecare with a view to developing a new, more sustainable local offer that could improve quality for both recipients of care and paid carers.</p> <p>There are a number of workforce initiatives underway across Islington and North Central London to promote social care careers and workforce development.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Monitoring of the local and national provider market	Reduce Likelihood	Staff	C.Littleton	Ongoing	In progress	
Collaboration across North Central London with local authority and NHS colleagues to support the social care market and workforce.	Reduce Impact	Staff	C.Littleton	Ongoing	In progress	

Risk Information Risk Title – Delivering Net Zero Carbon	Risk Scores	Existing Controls				
<p>Risk - The council and the borough does not achieve net zero carbon by 2030 in response to the climate emergency.</p> <p>Cause - Lack of supportive national policy and funding for decarbonisation; Lack of organisational commitment to deliver the NZC ambitions; Resource and/or funding constraints (access to external funding) to deliver the Net Zero Carbon Strategy; and, Lack of influence over key stakeholders (local/national)</p> <p>Consequence - Reputational risk of failing to meet net zero carbon target; unsatisfactory reduction in the levels of carbon emissions; poor air quality impacting on residents' health and wellbeing; and, impacts our ability to alleviate fuel poverty, particularly for vulnerable residents.</p> <p>Risk Update: Net Zero Carbon strategy was adopted in November 2020. We have established and mobilised a net zero carbon programme, with the aim to deliver net zero carbon by 2030 in Islington. There are eight delivery work streams, each headed by a service director and supplemented with work stream leads. We have begun to establish the governance around the delivery of the strategy. We are also in the process of developing the governance control framework for the programme in terms of identifying and managing operational and strategic opportunities, risks and issues.</p> <p>The Net Zero Carbon Executive Board is being established to replace the Affordable Energy Board with a wider remit. This board will develop strong interfaces with other council officer/member boards to manage strategic risks</p> <p>We are in the process of further developing working and governance relationships with Fairer Together and ISEP to increase influence with local businesses and improve community engagement, including a focus on fairness and equality</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:4</p> <p>Gap to target: L:1 I:0</p>	<p>Quarterly net zero carbon executive board meetings in place to provide strategic oversight, escalation, approvals and reporting</p> <p>Development of alignment and interface between the NZC exec board and the Housing delivery board</p> <p>Monthly net zero carbon programme board meetings to report on progress; manage risk, issues and dependencies across the programme</p> <p>Delivery of a cycle of presentations on NZC themes at the scrutiny committee meeting to provide oversight, engagement and reporting</p> <p>The council is the lead authority on the Renewable Power work stream on the London Councils climate change programme – opportunity to influence at the regional level</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Recruit required programme management and work stream resources to support and enable delivery of NZC action plan	Reduce Likelihood	Staff/Budget	K. Townsend	Mid 2021	In progress	
Develop a NZC stakeholder engagement and communications plan	Reduce Likelihood	Staff/Budget	K. Townsend	Mid 2021	In progress	
Secure additional council funding (e.g. carbon offset funding) that will support and contribute to the delivery of priority requirements for the programme	Reduce Likelihood	Staff	K. Townsend	Mid 2021	In progress	
Establish carbon reporting tool across the programme using Climateview	Reduce Likelihood	Staff/Budget	K. Townsend	Late 2021	In progress	
Establish steering group and develop London wide work plans in our role as lead authority for Renewable Power on the London councils climate change programme	Reduce Likelihood	Staff	K. Townsend	Late 2021	In progress	
Build a new governance model for the delivery of the net zero carbon strategy, including the engagement of lead councillors and borough partners	Reduce Likelihood	Staff	K. Townsend	Late 2021	In progress	

Risk Information Risk Title – Contract Management	Risk Scores	Existing Controls				
<p>Risk - Significant contractor failure/contractors failing to deliver within the agreed parameters (Quality, cost, schedule & social value)</p> <p>Cause - Ineffective/Non-compliance with corporate contract management procedure and/or contractual terms</p> <p>Consequence - Service disruption, reduced quality of service, additional financial burden, reduced social value</p> <p>Risk Update - The re-structure of procurement and contract management function has been concluded to now provide central support for contract management, 1st March 2021 will be go-live. The service now has strategic procurement and category management, the other side of the service provides supplier relationship and assurance. A number of new roles have been created and resourced, the re-structure will allow further focus on our approach to, and management of contracts across Islington. We have undertaken a process of recreating the supply chain practitioners group. The commissioning and procurement board have nominated members to the group from across the organisation.</p> <p>We launched the progressive procurement strategy 2020-27, contract management forms a major focus as part of the strategy.</p> <p>We have engaged a third party to design a contract management toolkit, the toolkit will support contract managers to effectively identify risks during the procurement process, the tool provides guidance detailing the different levels of contract management required for different contract types.</p> <p>Training has been commissioned, including a contract management module, tender specification, and tender evaluation. .</p> <p>FTS (find a tender service) transition has been completed following transition after EU Exit.</p> <p>Public contracts regulation review is underway, via national consultation, we are monitoring.</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:4</p> <p>Gap to target: L:1 I:0</p>	<p>Whilst guidance exists there is a strong need for this to be under constant review and improvement, particularly in line with new corporate aspirations post Covid-19 recovery.</p> <p>Commissioning and Procurement Board for overarching direction and Supply Chain Practitioners Group for knowledge sharing are still present, but have been impacted by Covid-19.</p> <p>Training has been commissioned, but the roll-out has been impacted by Covid-19 and needs reviewing for content and means of delivery.</p> <p>Supply Chain Practitioners Group meetings.</p> <p>Conducting drop-in sessions – social value in contract management, for example in Adult Social Care</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Progress the implementation of the progressive procurement strategy</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>S.Biggs</p>	<p>Ongoing</p>	<p>In Progress</p>	
<p>Complete recruitment</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>S.Biggs</p>	<p>Ongoing</p>	<p>In progress</p>	

Risk Information Risk Title – Health and Social Care Integration	Risk Scores	Existing Controls				
<p>Risk - Insufficient capacity, resource and integration within the local health and care system to meet resident’s needs.</p> <p>Cause - National and local funding constraints Differing priorities of key partners, including a new 5 borough commissioning approach and governance for the NHS</p> <p>Consequence - Poor health and care outcomes for residents</p> <p>Risk Update - The Health & Social Care Bill White Paper was published on 11 February 2021. It provides a promising base on which to build a more collaborative culture. Subject to on-going discussions, it will be important to acknowledge that local government place is where real changes happen and appropriate funding is maintained to ensure delegated functions at place level can effectively be delivered.</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:3</p> <p>Gap to target: L:1 I:1</p>	<p>Health & Wellbeing Board, via the Leader of the Council is required to sign off our annual BCF plans with the NHS</p> <p>Quarterly Section 75 meetings at Service Director level provide joint governance oversight of our pooled budgets</p> <p>Annual Section 75 reports to the Health & Wellbeing Board provide strategic governance over our pooled budgets</p> <p>The Fairer Together Partnership will provide a clearer and more effective governance framework for integration locally including more shared and local decision making around our local resource. The Fairer Together Borough Board is proving to be an effective forum for establishing vision, working principles and a plan of action across the Islington footprint.</p>				
Action		Expected impact	Resources required	Owner	Due Date	Status
<p>In response to the White Paper, effective Islington place level joint arrangements in place reporting into the Fairer Together Board and H&WB to strengthen Health & Social Care cross system working and on-going integration</p>		<p>Agreed joint vision, appropriate resources and on-going service integration all in place</p>	<p>Capacity to effectively coordinate agreed ICS arrangements</p>	<p>Carmel Littleton</p>	<p>Sept 2021</p>	<p>In progress</p>

Risk Information Risk Title – Compounded Pupil Attainment Gap	Risk Scores	Existing Controls			
<p>Risk - The attainment of pupils may disproportionately reduce as a result of Covid-19 measures.</p> <p>Cause - Covid-19 restrictions and adaptations in place in schools exacerbate the differential access to education for different socio-economic groups, in access to technology, reduced contact to assess progress or barriers to learning.</p> <p>Consequence - Pupils may not achieve their full academic potential (potential for a greater impact on vulnerable pupil’s educational outcomes), leading to difficulty re-engaging students in the longer term</p> <p>Risk Update: We have implemented the National Catch up programme in schools to support vulnerable pupils. The Y6 Richard Reeves Project to support targeted support for all pupils and in particular Caribbean and White UK disadvantaged pupils. All Y2 pupils completed the statutory Phonics Assessment in December 2020. Unconscious bias training being provided to schools to support undertaking teacher assessments in particular for pupils undertaking GCSEs and A Levels. We have been supporting schools to establish and implement remote learning that reflects the demands of the national curriculum in order to minimise gaps.</p> <p>Attendance – reported weekly from 16 March 2021</p> <p>Testing arrangements – reported weekly from the 12 March 2021</p> <p>Health and Safety/Risk Assessments – reported weekly from 5 March 2021</p> <p>Development of holiday and food project (summer programme) – reported arrangements to be confirmed.</p> <p>Place Planning and school budgets</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:2</p> <p>Gap to target: L:1 I:2</p>	<p>From September 2020 all educational settings welcomed pupils back to full time face to face education. All educational settings had updated risk assessments and completed necessary premise checks as required. The local authority quality assured all risk assessments and provided feedback to all settings (including academies, trusts and free schools). Attendance was monitored closely and regular contact was in place to ensure that poor attendance trends did not become embedded in school culture. During the autumn term 2020 attendance remained above national (96%). Effective systems and processes were in place when there was a positive COVID result in a setting. This was effectively tracked and appropriate support provided by Public Health and Islington Learning and Schools department.</p> <p>In January 2021 due to national lockdown restrictions being re-introduced, schools have remained open for vulnerable children and key workers throughout this period (January 4 – March 5, 2021). Pupils who have remained at home have had access to remote learning (statutory requirement from September 2020). Early Years providers have remained open throughout this period as have Special schools and New River College Pupil Referral Unit (PRRU). Attendance during this most recent lockdown has been non statutory, however Islington remains above national particularly those pupils and young people with an attached social worker, pupils with an EHCP and FSM pupils. Significant work has been undertaken to reduce the digital divide for vulnerable pupils in Islington. All educational settings are currently updating risk assessments in light of new guidance. Premises checks are being undertaken as required.</p> <p>All primary and secondary settings will open for full time, face to face education on 8 March 2021. Secondary and special schools will stagger their starts due to mass testing arrangements in place for the first two weeks. Primary school staff will continue to have access to home testing. This will also become available for all settings, including EYFS providers, special and secondary school staff. Secondary school pupils will also move to home testing after the first two weeks of school resuming. Guidance for schools will be reviewed on 29 march 2021.</p>			
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>
<p>Share with members, educational settings including governors and relevant LBI stakeholders – Reunite, Rebuild, Reignite – 3Rs plan for schools resuming full time, face to face education</p>	<p>Reduce impact</p>	<p>NA</p>	<p>C.Littleton</p>	<p>July 2021</p>	<p>In Progress</p>

Risk Information Risk Title – School Viability and Place Planning	Risk Scores	Existing Controls				
<p>Risk - That the council is unable to collaboratively manage the reduction in demand for Primary/Secondary Age pupils, putting at risk the viability of pattern of provision.</p> <p>Cause - Significant reduction in pupil demand reflective of reduced birth and fertility rates within inner-London, reduction in pupil yield from new housing. Real terms reduction in school level funding over the medium term.</p> <p>Consequence - Schools become non-financially sustainable and unable to deliver the broad and balanced curriculum. Loss of confidence in the Council (all stakeholders)</p> <p>Risk Update: Demand for school places has fallen. In part this drop in demand has been driven by declining birth rates across London. Local evidence on births, health visiting and GP registrations (of children under 12 months), indicates that the recent reduction in births in Islington is likely to remain an ongoing trend. In 2019, the GLA identified problems of overestimation in the official ONS migration estimates, this is particularly acute in areas of London with high international flows, and can lead to inflated numbers of children in the projections. Falling EU migration is a recognised factor driven by the decrease in immigration, particularly for GLA modelling the impact of Covid-19 on role numbers, the impact on role numbers remains largely unknown.</p> <p>In response we are developing a School organisation plan for 2021-2024. A school organisation programme board has been established to provide oversight, secure engagement of Head Teachers and provide governance and Engagement with a variety of educational bodies</p>	<p>Current Score: L:3 I:4</p> <p>Target Score: L:2 I:4</p> <p>Gap to target: L:1 I:0</p>	<p>Monitoring of school budgets Quality assurance of school deficit recovery plans Supporting school to create appropriate staffing structures Financial Audits of schools – including sharing lessons learnt Priority support providing focussed support to maintain provision work. Development of a School organisation plan for 2021-2024. The School organisation programme board has been established School Place Planning Report has been published, this has included a thorough check of data to inform future modelling.</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Production of an agreed school organisation plan</p>	<p>Reduce Likelihood</p>	<p>Staff – PM support</p>	<p>C.Littleton</p>	<p>End July 2021</p>	<p>In progress</p>	
<p>Well informed admissions consultation (for admission in 23/24)</p>	<p>Reduce Likelihood</p>	<p>Staff</p>	<p>C.Littleton</p>	<p>Autumn 21</p>	<p>Not started</p>	
<p>Production of an agreed school organisation plan</p>	<p>Reduce Likelihood</p>	<p>Staff – PM support</p>	<p>C.Littleton</p>	<p>End July 2021</p>	<p>In progress</p>	

Risk Information Risk Title – IT Delivery and Transformation	Risk Scores	Existing Controls				
<p>Risk - We do not deliver IT projects which will enable/optimize business transformation across the Council</p> <p>Cause - Insufficient planning/resourcing/funding to deliver the IT strategy.</p> <p>Consequence - Operation disruption, additional cost, reputational damage</p> <p>Risk Update - Delivery pressure is increasing due to redeployment of resources to support the Covid-19 response. Skilled IT specific resources continues to be in demand, we face private sector competition to recruit and retain staff resources scarce IT specific resources at all-time high demand.</p>	<p>Current Score: L:4 I:3</p> <p>Target Score: L:2 I:2</p> <p>Gap to target: L:2 I:1</p>	<p>The current controls include the ongoing use of the Information Technology Infrastructure Library (ITIL) service delivery framework to ensure operational services are effective in maintaining the current platforms on which we need to build.</p> <p>In addition, the interim organisational structure (established following the Shared Digital separation) has grouped IT the project managers into a new practice in which more formalised project disciplines have been introduced.</p> <p>This group is sharing the same processes, tools and methodologies as the central PMO to create greater transparency and control.</p> <p>Telephony upgrade complete</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Continued delivery of agreed actions	Reduce overall score	IT/Staff/Finance	D.Hodgkinson	Ongoing	In Progress	

Risk Information Risk Title - Service Response to further Covid-19 outbreak	Risk Scores	Existing Controls			
<p>Risk - Council services are not adapted to respond to a further surge in Covid-19 (lacking the capacity/ability to rapidly scale up support to residents whilst maintaining a focus on business as usual)</p> <p>Cause - Business continuity plans may not be executable (Lack of supplies/resources) or up to date. Lack of available financial and/or human resource to rapidly scale services.</p> <p>Consequence - Inability to deliver our corporate plans whilst sustaining business as usual. Failure to provide appropriate resources for residents, businesses or visitors and/or sustained inability to deliver critical services and keep residents safe.</p> <p>Risk Update – We have rolled out a vaccination programme and are ensuring residents and staff are aware of how to access vaccinations. Our emergency command structure remains in place to identify and monitor risks and issues, providing weekly oversight of Covid-19 workstreams (Data, Public Health, including outbreaks, Community meeting feedback, BECC, Vaccinations, Local HR issues, Residents and business support (We Are Islington) & Local Contact Tracing, Enforcement, Lateral Flow Testing, Schools response and Adult social care settings). The workstreams are dynamic allowing us to respond to the changing needs of residents.</p> <p>Across all Council services we have rapidly developed service models which allow for staff to work from home or in a Covid secure way, enabling us to maintain services for residents. This activity was led by each Director to adapt existing services. We have initiated new services specific to Covid-19, these were resources by staff who were able to redeploy. Redeployment has been focussed and undertaken in a consultative way, focussing on identifying transferrable skills.</p> <p>Planning for re-opening has begun (returning to offices), a number of challenges remain around resourcing, health and safety, staff wellbeing. We are conducting a review of the 'Future of Work' at Islington. We continue to monitor the broader impact of Covid-19 on residents to ensure our services effectively support our resident's needs.</p>	<p>Current Score: L:2 (from 4) I:5 Target Score: L:2 I:5 Gap to target: L:0 I:0</p>	<p>Strategic Resilience Group (reverted to Gold when emergency response was re-instated) Covid-19 Resilience Risk Register Borough Emergency Command Centre Covid-19 Response Team (Public Health Team and Environmental Health Team) Covid-19 Health Protection Group Islington Borough Resilience Forum Corporate Delivery Board Business Continuity Plans have been reviewed to recognised potential impact of future infections. Covid Resilience Board</p>			
Action	Expected impact	Resources required	Owner	Due Date	Status
Resilience Strategic Group and Resilience Leads Group to keep under review.	Reduce Likelihood	IT/Staff	M.Holdsworth	Ongoing	In progress
Health protection group to provide an overview and track trends and local infections and escalation in terms of council response to surge	Reduce Likelihood	IT/Staff	M.Holdsworth	Ongoing	In progress

Risk Information Risk Title – Non Recent Child Abuse	Risk Scores	Existing Controls
<p>Risk - Failure to adequately plan or quantify a full remedial support offer for survivors could affect delivery of services or have a significant financial impact</p> <p>Cause - Practical support offer does not meet the needs of survivors. Failure to accurately plan, quantify, administer and monitor the support payment scheme. Recognition and acknowledgement by the council for the abuse that survivors suffered does not meet their expectations.</p> <p>Consequence - Decline in the health and wellbeing of survivors. Expenditure exceeds budget for the support payment scheme. Reputational damage</p> <p>Risk Update: Support payment scheme proposal agreed by Council Executive for consultation with survivors and other key stakeholders</p>	<p>Current Score: L:2 I:5</p> <p>Target Score: L:1 I:5</p> <p>Gap to target: L:1 I:0</p>	<p>Existing practical support offer in place which encompasses trauma counselling, specialist advice, support and assistance for care, housing, appropriate welfare benefits, access to further education and suitable employment and support to access to care records.</p> <p>Established relationship, and liaison, with the Islington Survivors Network which supports survivors.</p> <p>Programme governance in place to plan and monitor the full support offer survivors of non-recent child abuse. A full remedial support offer has a practical support, a financial element and recognition and acknowledgement by the council of the abuse suffered to help survivors to heal and to move forward from their experiences.</p>

Action	Expected impact	Resources required	Owner	Due Date	Status
Implement actions in resident impact assessment for support payment scheme	Reduce Likelihood	Staff	C.Littleton	September 2021	In Progress
Implement a support payment scheme that balances survivors' feedback and the council's legal and fiduciary duties.	Reduce Likelihood	Staff/Finance	C.Littleton	December 2021	In Progress
Establish performance arrangements for the support payment scheme and practical support that is regularly monitored by the NRCA Strategic Board. This will also include financial monitoring.	Reduce Likelihood	Staff/Finance	C.Littleton	September 2021	In Progress
Practical support offer reviewed with survivors to ensure that it reflects emerging needs.	Reduce Likelihood	Staff	C.Littleton	Ongoing	In Progress

Risk Information Risk Title – Serious Health and Safety Incident in Housing	Risk Scores	Existing Controls				
<p>Risk - Serious Health and Safety incident in the council's housing stock</p> <p>Cause - Non-compliance with statutory duties /regulations</p> <p>Consequence - Multiple fatalities</p> <p>Risk Update - Emergency lighting being installed in 24 tall blocks. Installation of a new wet rising main at Michael Cliffe House has been completed. Front entrance door replacement has been impacted by Covid restrictions. Implications of Fire Safety bill and Building Safety Bill being assessed, in preparation for implementation on enactment of legislation. PWC have commenced a lift service audit</p>	<p>Current Score: L:2 I:5</p> <p>Target Score: L:1 I:5</p> <p>Gap to target: L:1 I:0</p>	<p>Homes & Estates Safety Board provide challenge.</p> <p>Ongoing delivery of Fire Safety Action Plan</p> <p>Ongoing Fire Risk Assessment programme, with annual cycle for tall buildings with 'tolerable' rating (rather than every 3 years as per regulations – commitment given post-Grenfell).</p> <p>Fire Risk Assessments for all 126 tall blocks have been completed and published online for transparency.</p> <p>Front door upgrade/replacement programme has been impacted by the pandemic reducing the speed, we have replaced circa 600 door during lockdown.</p> <p>Liaison with the Ministry of Housing, Communities and Local Government (MHCLG) and London Councils on emerging resident safety issues.</p> <p>Housing Directors Fire Safety Sub-Group – monthly meeting to review actions, include senior staff from the London Fire Brigade (LFB) and MHCLG.</p> <p>Cyclical testing for electrical, lightning, legionella and construction risks remains on track.</p> <p>Responsive testing service for asbestos containing materials (ACMs) in place.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Continue liaison with MHCLG and LFB	Reduce Likelihood	Staff	M.Holdsworth	Ongoing	In progress	
Inter-linked alarms in street properties – 2 contractors, each have completed a pilot property. Contractors being instructed, we are developing a risk based programme.	Reduce Likelihood	Staff	M.Holdsworth	June 2022	In progress	

Risk Information Risk Title – Health and Safety	Risk Scores	Existing Controls				
<p>Risk - Significant Health and Safety Incident Cause - Non-compliance with policies or procedures Consequence - Life-changing injury, fatality, compromising the safety and wellbeing of service users, public or the workforce, potential enforcement action. Risk Update - Internal Audit to review asbestos service (March 2021). Ongoing joint work with Public Health and HR to support managers and services to assess risk (place, physical and mental wellbeing) during the pandemic. There have been high levels of activity undertaken by the corporate health and safety function to support the Covid-19 response (including providing risk assessment guidance and advice).</p>	<p>Current Score: L:2 I:5 Target Score: L:1 I:4 Gap to target: L:1 I:1</p>	<p>Regular auditing of schools continues, including assistance with Covid-19 risk assessments. With-cause drug and alcohol testing has continued; random testing for council employees and agency workers in safety critical roles will resume once revised policy is signed off. Annual reviews of Corporate policy, regular review of other Health and Safety policies. Health and Safety training included in corporate induction. Annual report to CMB Schools which have a service level agreement with People Directorate are supported by corporate health and safety and regularly audited Staff Briefings around working arrangements during the pandemic (Communication campaign). Ongoing joint work with Public Health and HR to support managers and services to assess risk (place, physical and mental wellbeing) during the pandemic.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Annual health and safety performance report to CMB.	Reduce Likelihood	Staff	S.Biggs	Ongoing	In progress	

Risk Information Risk Title – Capital Programme	Risk Scores	Existing Controls			
<p>Risk Title Capital Programme</p> <p>Risk Failure to adequately manage (cost/schedule/receipts) capital programmes</p> <p>Cause Inadequate governance and project management</p> <p>Consequence Financial Loss, breach of governance/regulation, reputational damage</p> <p>Risk Update: The council committed to a new Corporate Asset Strategy in March 2020. The strategy aims to establish a bold new approach that ensures investment is directly linked to core council ambitions around fairness and community wealth building. It is designed to deliver a strategic, long-term approach to managing and enhancing our community asset base. .The Capital Strategy and Capital Programme (for the next 3 years) has been approved as part of the budget setting programme at full Council in February 2021. The total expected spend over 3 years is £539 million. The Capital investment will be used in the following areas: - Decent and affordable homes - Jobs and opportunity - A safer Borough for all - Greener and Cleaner Islington - Enhancing Community Assets One of the key risks in the coming year will be the capital funding obtained from projected capital receipts financing, this is intrinsically linked with the housing new build capital programme, and that there is uncertainty around the timing and value of these receipts given present economic conditions would need to be re-assessed in line with the overall available funding.</p>	<p>Current Score: L:2 I: 5</p> <p>Target Score: L:1 I:4</p> <p>Gap to target: L:1 I:1</p>	<p>Major Projects Board Corporate Asset Delivery Board Housing Delivery Board</p> <p>A common set of project level and programme/directorate level reporting will be implemented to ensure consistency and robust delivery tracking</p> <p>Enhanced Reporting and monitoring of capital spend as part of the monthly monitoring.</p> <p>Capital receipts controls – We maintain a regular review of the property market and have been prudent in our financial assumptions. Timing delays can largely be managed through the use of HRA reserves. In the event of a decrease in projected capital receipts, the new build programme would need to be re-assessed in line with the overall available funding.</p>			
<p>Action</p> <p>Ongoing monitoring of progress and delivery</p>	<p>Expected impact</p> <p>Reduce overall score</p>	<p>Resources required</p> <p>Staff</p>	<p>Owner</p> <p>S.Biggs</p>	<p>Due Date</p> <p>Ongoing</p>	<p>Status</p> <p>In progress</p>

08/08/2021

Risk Information Risk Title – Domestic Violence Abuse	Risk Scores	Existing Controls				
<p>Risk - There is a significant increase in Domestic Violence Abuse Assaults</p> <p>Cause - Lockdown conditions causing increased tensions, accessibility to early intervention, economic slowdown resulting in increase in poverty, mental health issues and tensions within homes.</p> <p>Consequence - Serious harm to individuals and families</p> <p>Risk Update- Daily Safeguarding meetings started in January supporting 61 survivors nth with 277 actions. 21% increase in calls to VAWG services since April VAWG transformation funding meant that services were able to support 800+ survivors and families. 68 survivors supported to access legal / civil protection measures</p>	<p>Current Score: L:3 I:3</p> <p>Target Score: L:2 I:3</p> <p>Gap to target: L:1 I:0</p>	<p>The additional £2 million council investment agreed in 2020 (for three years) to tackle VAWG is being used to transform the council’s offer, and this has been bolstered by additional funding secured from Public Health, MOPAC and VRU. This has been used to</p> <ul style="list-style-type: none"> • Increase the number of Independent Domestic Violence and DA support roles in Islington -co-located in mental health, sexual health services, Bright Start and MASH, TYS and BAME services • Extend the IRIS project providing DA training to GP practices, chemists etc. • Sustain the DA counselling services (87 survivors supported since April • Establish the new DA Daily Safeguarding meetings • Raise awareness and improve response to VAWG through a comprehensive workforce development programme building on Keel project (75 consultations to practitioners delivered to date plus numerous trainings) • Provide phones to victims/survivors reporting DA and to survivors • Establish a new Intimate Partner Violence service <p>Secured funding for a full time PHD student with University of Essex for 3 years to evaluate the VAWG Transformation programme</p> <p>The police’s safeguarding teams in Islington are continuing to work closely with the council to ensure the safety of those experiencing DA and their children. A borough wide communications campaign is bringing VAWG services to the attention of residents & stakeholders. –t FGM campaign and event in February</p> <p>Housing services campaign to promote the support available to residents and all housing officers are trained to support tenants experiencing DA</p> <p>MHCLG Earned Autonomy funding secured for 2021-22 funding 2 Project Officers in the Workforce Development Team, 1.5 IDVAs in Brightstart and contributing to work with DA perpetrators and DA counselling.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
Delivery of the VAWG Service transformation	Reduce Likelihood	Staff	C.Littleton	Ongoing	In progress	
Keel Legacy; A comprehensive action plan to sustain the learning and good practice from the Keel project that successfully tested a new approach to working with families experiencing DA in 2019-20. Delivery of the Practice priorities through training and consultations for practitioners	Reduce Likelihood	Staff	C.Littleton	Ongoing	In progress	
VAWG Strategy Refresh - The current strategy ends in 2021 so work is underway to develop a new VAWG Strategy for Islington	Reduce Likelihood	Staff	C.Littleton	Late 2021	In progress	

Risk Information Risk Change Programme Delivery	Risk Scores	Existing Controls			
<p>Risk - Failure to implement a robust governance mechanism to support delivery of strategic ambitions.</p> <p>Cause - Capacity, financial challenge, governance, project management, Covid-19</p> <p>Consequence - Change activity faces delay, declining quality and cost escalation, financial/other benefits are not met in full.</p> <p>Risk Update – Transformation board has been set up to take place on a monthly basis – bi-monthly rota of key strategic programmes Directorate Delivery Board – Corporate directors own risks of key projects and programmes delivery. This is managed via monthly DDB’s. DDB’s are informed by robust highlight reporting. PMO working group set up to co-produce revised framework based on recommendations from audit</p>	<p>Current Score: L:3 I:3</p> <p>Target Score: L:2 I:2</p> <p>Gap to target: L:1 I:1</p>	<p>A PMO toolkit has been set up on the website to enable consistency in reporting and assurance.</p> <p>The last DMT of the month is now Directorate Delivery Board (DDB), focusing on key change programme delivery and directorate performance.</p> <p>The first CMB of the month is now Transformation Board focusing on strategic change programmes - bi-monthly rolling programme</p>			
Action	Expected impact	Resources required	Owner	Due Date	Status
<p>Monthly Transformation board meetings to embed a continuous focus on strategy, accountability and impact of key strategic programmes</p>	<p>Increased governance and oversight of clear strategic programmes</p>	<p>Staff</p>	<p>D. Hodgkinson</p>		<p>Live</p>
<p>PMO Working group set up in response to audit recommendations – 3 weekly meetings set up to review governance, processes and templates to support a consistent approach to project and programme management across the council</p>	<p>Increased buy in from PM’s within directorates increasing consistency in project management approach</p>	<p>Staff</p>	<p>D. Hodgkinson</p>	<p>June’21</p>	<p>Live</p>
<p>Set up of PMO Forum to facilitate coaching and mentoring opportunities for shared learning and development to increase project management capability over the organisation</p>	<p>Increased project management capability and knowledge</p>	<p>Staff</p>	<p>D. Hodgkinson</p>	<p>June’21</p>	<p>In Progress</p>
<p>Review of existing project/programme governance arrangements below DDB level</p>	<p>Review to understand where there are gaps and ensure right governance is in place</p>	<p>Staff</p>	<p>D. Hodgkinson</p>	<p>June’21</p>	<p>Not started</p>

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Risk Information Risk Title – IT Resilience	Risk Scores	Existing Controls				
<p>Risk - Our IT is not sufficiently resilient to meet the demands of services</p> <p>Cause - Lack of investment in technology, lack of resources to build and monitor resilience, lack of disaster recovery planning</p> <p>Consequence - Operational disruption, additional cost, reputational damage</p> <p>Risk Update - There have been a number of recent projects to deliver improvements to our IT resilience: Upgrade of the core and edge switch replacement, SAN replacement and procurement, Virgin Media WAN project transition, SM remediation, telephony upgrade. Our Laptop upgrade project has also completed. Incoming email has also now routed entirely in the cloud and therefore not dependent on the datacentre.</p>	<p>Current Score: L:3 (-1) I:3 (-1)</p> <p>Target Score: L:2 I:3</p> <p>Gap to target: L:1 I:0</p>	<p>Investment in a variety of upgrades and mitigations will progressively reduce this risk. As a strategy the council is moving to Software as a Service (SaaS). For example, the Office365 components run in cloud and will still operate if 222 fails entirely.</p> <p>Business Continuity plans in place.</p> <p>The generator connection has been delayed due to Covid-19.</p> <p>The WAN Transformation will update the network and reduce reliance on 222 as the Hub. Boundary services will be moved to cloud.</p> <p>The investment in SAN replacement and the move to cloud based backup (off tape) has been approved by CMB.</p> <p>As part of that approval, upgrades to the Core switches and Wi-Fi will provide resilience and support to the on-premises networking.</p> <p>Applications will be progressively upgraded to cloud where they are architected to be more resilient in themselves, and are not vulnerable to on-premises hardware failures.</p>				
Action	Expected impact	Resources required	Owner	Due Date	Status	
<p>Continued delivery of planned IDS projects</p>	<p>Reduce Likelihood</p>	<p>Staff/IT</p>	<p>D.Hodgkinson</p>	<p>Ongoing</p>	<p>In progress</p>	

Risk Information Risk Title – Well Managed Workforce	Risk Scores	Existing Controls
<p>Risk- Failure to successfully manage our workforce to deliver corporate priorities</p> <p>Cause - Lack of management experience/ability to manage performance effectively through a focus on outcomes. Lack of management development programmes. Absence of structure within the performance management approach. Lack of a behaviours framework. Outdated procedures. Increase in remote working</p> <p>Consequence - Workforce may not be engaged, delivering its full potential, impacting service delivery.</p> <p>Risk Update: The move to Remote Working will mean new ways of developing and managing performance. We have reviewed our HR policies and simplified them. The Chief Executive continues provide frequent management communications to improve information flow.</p>	<p>Current Score: L:3 I:3</p> <p>Target Score: L:2 I:2</p> <p>Gap to target: L:1 I:1</p>	<p>Managers’ Conferences in July 2020 to focus on performance and identify areas for development</p> <p>Wellbeing survey June 2020 to identify management skills/areas for development for future development planning</p> <p>Chief Executive management communications.</p> <p>HR Policies streamlined and simplified</p> <p>Presentation to Policy & Performance Scrutiny Meeting (March 2021)</p>

Action	Expected impact	Resources required	Owner	Due Date	Status
<p>Launch Islington Management Diploma, Leadership programme and Management Modules for existing/aspiring managers</p>	<p>Reduce L and I by 1</p>	<p>Existing staff resource Use of Apprenticeship Levy Funding Commissioned training costs (already budgeted)</p>	<p>D.Hodgkinson</p>	<p>April 2021</p>	<p>On track</p>
<p>Review performance management and probation procedures</p>	<p>Reduce L and I by 1</p>	<p>Existing staff resource</p>	<p>D.Hodgkinson</p>	<p>March 2021</p>	<p>Complete</p>
<p>Procurement and implementation of learning management system and deployment of performance modules</p>	<p>Reduce L and I by 1</p>	<p>Existing staff resource System costs (budgeted)</p>	<p>D.Hodgkinson</p>	<p>September 2021</p>	<p>On track</p>
<p>Develop behaviours framework to underpin CARE values and associated toolkit to support performance</p>	<p>Reduce L and I by 1</p>	<p>Existing staff resource</p>	<p>D.Hodgkinson</p>	<p>May 2021</p>	<p>On track</p>
<p>Develop action plans following staff survey to focus on areas of concern</p>	<p>Reduce L and I by 1</p>	<p>Existing staff resource</p>	<p>D.Hodgkinson</p>	<p>July 2021</p>	<p>On track</p>
<p>Develop culture change workstream under FutureWork Programme</p>	<p>Reduce L and I by 1</p>	<p>Existing staff resource FutureWork Programme Resources (subject to business case)</p>	<p>D.Hodgkinson</p>	<p>September 2021</p>	<p>On track</p>

Risk Information Risk Title – Serious Fraudulent Activity	Risk Scores	Existing Controls				
<p>Risk- Serious Fraud or corruption Cause - Lack of adequate governance arrangements including key controls and robust fraud awareness Consequence - Financial and Reputational damage. Risk Update: The Council continue to facilitate the grants/dispensation to residents which has been provided by Government in response to Covid-19. The Council’s Audit Manager (Investigations) provided oversight and control design advice, to these new workstreams, where needed. The work on the National Fraud Initiative has continued throughout Covid-19, our team have provided data to the initiative to enhance the outcomes. Our reactive fraud case load has been managed throughout the pandemic.</p>	<p>Current Score: L:3 I:2 Target Score: L:2 I:2 Gap to target: L:1 I:0</p>	<p>A robust whistleblowing policy (updated January 2021) and anti-fraud strategy is in place. Regular reporting to Audit Committee takes place including bi-annual whistleblowing monitoring reports and an annual fraud report. Internal Audit and Corporate Investigations work closely ensuring that intelligence is shared to support the identification of fraud risks. Internal Audit and Investigations also work jointly on some investigations to ensure that Internal Audit are able to make recommendations to enhance controls and prevent the recurrence of fraud. Fraud risks feed into the annual Audit Plan. Delivery of the Audit Plan ensures that recommendations are made to address control weaknesses. Review of governance arrangements during individual audits routinely include a review of policies and procedures. Corporate Investigations stay abreast of fraud alerts and fraud risks. Covid 19 During the Covid-19 emergency and the immediate response that followed, Internal Audit (Investigations) provided antifraud advice (including where the Council was delivering new Covid-19 related services or providing financial assistance/relief packages), to ensure that robust controls and fraud prevention measures were in place. Advice was provided in the following areas:</p> <ul style="list-style-type: none"> • Payment of Covid-19 related grants, • Emergency use of the Council’s purchase cards for Covid-19 related expenditure. <p>During the Covid-19 emergency period, Internal Audit Investigations continued reactive investigation work.</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Continue to engage in National Fraud Initiative</p>	<p>Reduce likelihood</p>	<p>Staff</p>	<p>D.Hodgkinson</p>	<p>October 2022</p>	<p>Ongoing</p>	
<p>Increase anti-fraud resource</p>	<p>Reduce likelihood</p>	<p>Staff</p>	<p>D.Hodgkinson</p>	<p>Spring 2021</p>	<p>In progress</p>	

Risk Information Risk Title – Savings Delivery	Risk Scores	Existing Controls				
<p>Risk - Failure to deliver approved budget savings</p> <p>Cause - Capacity, project management, governance, flaws in original business case</p> <p>Consequence - Financial/other benefits delayed or not achieve, in part or in full.</p> <p>Risk Update: Our Covid-19 response included a review of all savings projects, which resulted in some re-profiling of savings. 2021/22 savings have now been approved as and will be monitored as part of the monthly budget monitoring process. A Covid-19 contingency has been set aside for to support the delivery of savings moving forward.</p>	<p>Current Score: L:2 I:2</p> <p>Target Score: L:2 I:2</p> <p>Gap to target: L:0 I:0</p>	<p>Savings proposals are reviewed and signed off by key stakeholders before they are included in the budget.</p> <p>Saving tracker is regularly updated and any issues/changes are escalated as part of the monthly budget monitoring and reporting process to CMB, the Executive and the Policy and Performance Scrutiny (PPS) Committee.</p> <p>The Corporate Delivery Board meets monthly and focuses on delivery and performance issues, including risks around savings delivery.</p> <p>Each programme/project is monitored at the appropriate level, be it DMT for departmental initiatives or the relevant board for cross-cutting initiatives.</p> <p>To mitigate any financial impact, the council’s annual budget includes prudent contingency provision and the medium-term financial strategy (MTFS) is to strengthen financial resilience in reserves.</p>				
<p>Action</p>	<p>Expected impact</p>	<p>Resources required</p>	<p>Owner</p>	<p>Due Date</p>	<p>Status</p>	
<p>Ongoing monitoring and review</p>	<p>Maintain score</p>	<p>Staff</p>	<p>D.Hodgkinson</p>	<p>Ongoing</p>	<p>In progress</p>	

PAPER ENDS



Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Audit Committee	25 May 2021	All

Delete as appropriate	Non-exempt	
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THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: CYBER-DEFENCE ASSURANCE

1. Synopsis

- 1.1 This paper is to assurance around the Cybersecurity protections in place to ensure the integrity of the council's operations and data security.

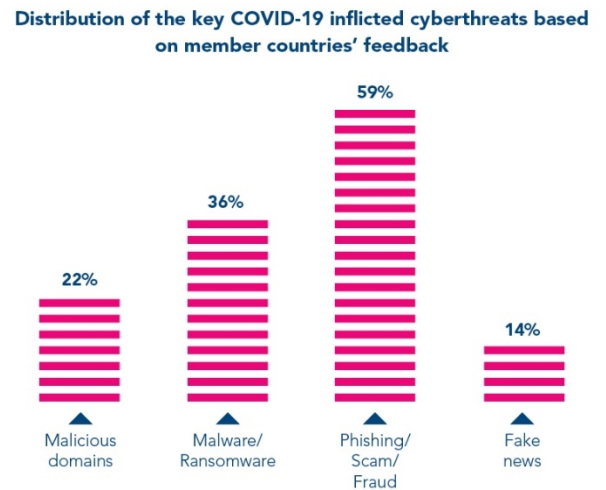
2. Recommendation

- 2.1 To note this report as a statement of the current position for the council's cybersecurity assurance programme and the ongoing audits and activity.

3. Background

- 3.1 This paper summarises the cybersecurity assurances in place to protect our operations and ensure we meet our data protection obligations. It gives context to the current cyber-environment which has been dominated by Covid. The frameworks and methods to assess our resilience are also explained.

3.2 The external risk profile has increased with the advent of Covid. This graph from an [Interpol report](#)¹ shows the profile of attacks. Phishing attacks are a popular vector in times of crisis as people are willing to take more risk on issues such as PPE, test and vaccine opportunities – or simple online ‘deals’. Layer on the added vulnerabilities created by working from home, fake security alerts etc and it is a rich environment for those with no scruples.



3.3 Some statistics from [September 2020 by ZDNet Government](#) state:

- The number of unsecured remote desktop machines rose by more than 40%
- Remote desktop ‘brute-force’ password attacks grew 400% in March and April 2020
- Email scams related to covid-19 surged 667% in March 2020 alone
- Users are now three times more likely to click on pandemic-related phishing scam
- 90% of newly created coronavirus domains have a scam purpose
- More than 530,000 zoom accounts sold on dark web
- 2000% increase in malicious files with "zoom" in name
- Covid-19 has driven between 72% and 105% of the ransomware spike

3.4 The cyber environment is at its most dangerous - right at the time we are most dependant on it for remote working.

4. Assessment Framework

4.1 Cyber Security is a complex and technical topic. To ensure the assurance provided is appropriate this report is based on the National Cyber Security Centre (NCSC) paper entitled: [“Questions for boards to ask about cyber security”](#).

4.2 This is taken from NCSC's Cyber Security Toolkit for Boards and is considered to be a recognised and pragmatic approach to demonstrating assurance. It examines the basic questions of:

1. Embedding cyber security into your structure and objectives
2. Growing cyber security expertise
3. Developing a positive cyber security culture
4. Establishing your baseline and identifying what you care about most
5. Understanding the cyber security threat
6. Risk management for cyber security

¹ <https://www.interpol.int/en/News-and-Events/News/2020/INTERPOL-report-shows-alarming-rate-of-cyberattacks-during-COVID-19>

7. Implementing effective cyber security measures
8. Collaborating with suppliers and partners
9. Planning your response to cyber incidents

4.3 The results of the assessment are contained in Appendix 1 (Exempt)

5. Implications

It is important that the council maintains a strong cyber defences and related assurance. Ongoing focus on improvements and assurance will continue to be an important part of technology investment and monitoring.

5.1 Financial implications:

There are no financial implications arising from this report. The measures and recommendations proposed in this report are not currently quantifiable. Any recommendations from this report, if adopted, will need to be expanded upon and reviewed with the financial implications assessed.

5.2 Legal Implications:

The Council must act economically, effectively and efficiently in accordance with best value and principles of good governance, and protect data. Under UK GDPR the Council must implement appropriate technical and organisational measures to meet security risks, whether from cyber-attack or otherwise (Article 32(1)).

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

There are no implications in this report in relation to achieving a net zero carbon Islington.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

No resident impact assessment has been completed as the cyber assurance provided in this paper is to ensure as far as is practicable that there is no impact to resident services or outcomes due to cyber attack

6. Reason for recommendation

6.1 It is recommended that this report be noted as a statement of the current position for the council's cybersecurity assurance programme and the ongoing audits and activity.

Appendices

- Exempt Appendix 1 – Summary of Cyber Assurance activity & Audits.

Final report clearance:

Signed by:



Dave Hodgkinson
Corporate Director of Resources

Date: 7 May 2021

Report Author: Jon Cumming
Tel: 02075275175
Email: jon.cumming@islington.gov.uk

Financial Implications Author: Ivana Green
Tel: 02075277112
Email: Ivana.Green@islington.gov.uk

Legal Implications Author: Peter Felher
Tel: 02075273126
Email: peter.fehler@islington.gov.uk



Resources
7 Newington Barrow Way
London N7 7EP

Report of: Director of Corporate Resources

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	25th May 2021		All

Delete as appropriate		Non-exempt
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SUBJECT: Updated External Audit Plan

1. Synopsis

- 1.1 Grant Thornton presented their audit plan for the external audit of the Council and the Pension Fund for 2020/21 to the Audit Committee on the 16th March 2021. Since then, Grant Thornton have confirmed their anticipated fees and updated their audit plan accordingly. No other updates have been made to the report.

2. Recommendation

- 2.1 To note the total anticipated fee for the external audit for the Council and Pension Fund for the year ending 31 March 2021 is £231,579.

3. Background

- 3.1 Each year the Council's external auditor presents to the Audit Committee their audit plan along with management response to audit recommendations for approval. The report was presented to the Committee on the 16th March 2021 however the fees were subject to confirmation.

4. Implications

4.1 **Financial Implications:**

The proposed fees include additional charges for enhanced levels of assurance required as a result of increased expectations on the audit sector. In addition there are changes in financial standards and the implementation of a new key system which require additional audit resources.

Scale Fee	£156,179
Raising the Bar additional FRC requirements	£24,900
Additional VfM requirements	£26,000
New revised ISAs (540,240, 570 etc)	£17,000
Work on new income system for 2020-21	£7,500
Total Fee	£231,579

MHCLG have provided a grant of £15m nationally to meet the cost of enhanced requirements. Individual allocations to authorities are yet to be confirmed however we anticipate that the combination of existing budgets and the additional income will cover the total cost of the audit.

4.2 **Legal Implications:** none

4.3 **Environmental Implications and contribution to net zero carbon by 2030.**

There are no environmental impacts arising from this report.

4.4 **Resident Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment has not been carried out since the contents of this report relate to a purely administrative function and there are no direct impacts on residents.

5. **Conclusion and reasons for recommendations:**

- 5.1 The Committee is asked to note the contents of the attached updated audit plan in order to acknowledge the methodology and cost of the external audit process.

Appendices:

Updated External Audit Plan year ending 31 March 2021

Background papers: none

Final Report Clearance:

Signed by:



Director of Corporate Resources

Date: 10 May 2021

Received by:

Head of Democratic Services

Date

Report Author: Mumba Mumba, Strategic Revenue Manager
Tel: 020 7527 2432
E-mail: mumba.mumba@islington.gov.uk

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Islington Council and Islington Council Pension Fund Audit Plan

Year ending 31 March 2021

March 2021
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Your key Grant Thornton team members are:

Paul Grady

Key Audit Partner

T 020 7728 2439

E Paul.D.Grady@uk.gt.com

Ade Oyerinde

Senior Manager

T 020 7728 3332

E Ade.O.Oyerinde@uk.gt.com

Nick J Halliwell

Manager

T 020 7728 2469

E Nick.J.Halliwell@uk.gt.com

Lydia Smith

Incharge auditor

T 020 7865 2476

E Lydia.H.Smith@uk.gt.com

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Key matters	3	The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
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Key matters

Factors

Our response

Finances

The Council's financial position over the coming years is increasingly challenging. The pandemic has resulted in additional spending pressures estimated at £16 million and a reduction to the Council's income streams estimated at £36 million. In the short term the government is providing financial support to meet some of these pressures. The current known allocation from central government to the Council remains at £26 million and the Council also expects to receive around £16 million as part of the government's scheme to reimburse a proportion of local authorities' loss in non-commercial fees and charges due to the pandemic.

The 2020-21 forecast position as at Quarter 3 on service budgets is breakeven, and assumes the receipt of the £16 million compensation referred to above. The impact of the pandemic continues to be the key driver for the overspend within departments, including unanticipated costs for new service provision in dealing with the health crisis and the impact on income generation as a result of the national lockdown measures and the economic impact.

The future of local authority funding remains uncertain as new Local Government funding arrangements that were meant to be in place by April 2020 have been delayed until at least 2022. The Council has an anticipated budget shortfall of £34.2 million over the next three years to fund planned spending levels. The Council is proposing a balanced budget for 2021-22 which includes assumed savings of £25.2 million across directorates together with a Council Tax increase of 4.99 per cent, including the 3 per cent increase in respect of the adult social care precept.

From 2021/22 and over the following three years, the Council plans to invest £539.2 million in the borough's roads, infrastructure, the environment and buildings. This includes £302 million for the new build programme and £135 million to invest in major works and improvement programmes on the Council's existing housing stock.

Accounting and auditing developments

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money. (VFM) There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach
- The replacement of the binary (qualified / unqualified) approach to VFM conclusions, with more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

In the period December 2018 to January 2020 the Financial Reporting Council issued a number of updated International Auditing Standards (ISAs (UK)) which are effective for audits of financial statements for periods beginning on or after 15 December 2019. ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures includes significant enhancements in respect of the audit risk assessment process for accounting estimates. As part of this process auditors also need to obtain an understanding of the effectiveness of the role of those charged with governance relating to accounting estimates adopted by management, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Although the implementation of IFRS 16 has been delayed, audited bodies still need to include disclosures in their 2020/21 statements to comply with the requirements of IAS 8. As a minimum, we would expect the Council to disclose the title of the standard, the date of initial application and the nature of the changes in accounting policy for leases. If the impact of IFRS 16 is not known or reasonably estimable, the accounts should state this.

In the prior year the Council's valuer reported a material uncertainty regarding the valuations of properties due to the Covid 19 pandemic. In addition, there was a material uncertainty in relation to the valuation of the pooled property funds which impacted both the Council's and Pension Funds position. We will monitor the position for the 31 March 2021 valuations.

- We will consider your arrangements for managing and reporting your financial resources and assessing your financial resilience as part of our audit in completing our Value for Money work.
- Where any actions have been agreed in respect of matters identified through previous audit work, either on the financial statements or in respect of work on arrangements to secure VFM, we will assess the progress against previously agreed recommendations.
- Members of the finance team attended our annual final accounts workshop during February, hosted by our highly experienced public sector assurance team as they help you prepare for your 2021 financial statements audit by highlighting potential risk areas and providing you with practical advice
- We will continue to provide you with sector updates via our Audit Committee and Audit Committee (Advisory) updates.
- We will liaise with the Council's valuer and Pension Fund managers to clarify any potential material uncertainties in 2020-21.

Key matters (continued)

Factors

Our response

Impact of Covid 19 pandemic

The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the Council's normal operations. Throughout the pandemic the Council has kept critical services going at the same time as supporting the Covid 19 national effort. The Council has delivered food parcels, accommodated rough sleepers, boosted hardship funds, made welfare calls to vulnerable people, assisted tenants struggling to pay rents and service charges, provided further support to residents in receipt of Council Tax Support, replenished food banks and provided more parking permits for key workers throughout the pandemic. The Council has also assisted with testing programmes and vaccine administration by helping with site preparation and logistics and in communications and engagement with local communities to encourage uptake of the vaccine.

Since the start of the pandemic, c£69.3 million has been distributed to businesses in Islington to help them offset the impacts of Covid-19. Grants have been made available through a number of Government schemes, such as the business rates grants launched in spring 2020, and the Local Restrictions Support Scheme which was introduced with the tier system in late autumn 2020. The Council has also delivered the 2020/21 business rates holidays promised by the government.

The Council is now considering how to take forward the benefits from remote working necessitated by the pandemic. This includes further use of flexible working, effective use of office space and reviewing service delivery models to ensure that residents and local communities continue to receive cost effective, efficient quality services.

Change and Transformation

The Council continues to undergo extensive change and transformation. Work continues on the Islington Digital Services programme, intended to transform the Council's ICT Service to better enable it to support delivery of the Council's Corporate Objectives. The outcomes intended for the new IT structure are ambitious but intended to be achievable within the Council's financial and resourcing constraints. The Council is also investing in a cleaner and greener borough, with the ambition to be a net zero-carbon borough within a decade. A number of programmes are underway including increasing and updating the Council's electric charging infrastructure, replacing its fleet of electric vehicles and building new homes that are carbon neutral.

Pension Fund developments

The Pension Fund investments continue to recover from the pandemic shock. At the start of the year, the Council paid in advance for the year a deficit lump sum of £26.9 million and made advance employer contributions of £25.2 million. By paying the employer contribution in advance, the Council was able to benefit from a discount of 2.04% which equates to a saving of £0.53 million.

- We will consider your arrangements for managing the impact of the Covid-19 pandemic as part of our Value for Money work.

- We will consider your arrangements for change and transformation as part of our audit in completing our Value for Money work

- We will undertake audit procedures to ensure the Pension Fund's deficit payments and employer contributions are fairly stated within the financial statements

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of ('the Council') and the Islington Council Pension Fund (the Pension Fund) for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Council and Pension Fund. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the:

- Council's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit Committee and Audit Committee (Advisory)); and
- Value for Money arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit Committee and Audit Committee (Advisory) of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

Council

- The risk that the valuation of land and buildings including council dwellings in the accounts are materially misstated.
- The risk that the valuation of the net pension fund liability in the accounts is materially misstated.
- The risk of management override of controls.
- The risk that the accuracy and presentation of the Private Finance Initiative (PFI) is materially misstated.
- The risk that incomplete or inaccurate financial information is transferred to the new income system.

Pension Fund

- The risk of management override of controls.
- The risk that the valuation of level 3 investments in the accounts is materially misstated.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

Council

We have determined planning materiality to be £16.6m for the Council (PY£16.5m), which equates to approximately 1.5% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.83m (PY £0.8m).

Pension Fund

We have determined materiality at the planning stage of our audit to be £13.5m (PY £13.5m) for the Pension Fund, which equates to approximately 1% of the 2019/20 net assets. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.68m (PY £0.68m).

Introduction and headlines (continued)



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Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following risks of significant weakness:

- The Council's arrangements in response to the Covid-19 pandemic and capitalising on the benefits from the different models of service delivery and ways of working brought about by the pandemic.
- The Council's arrangements for setting the Medium Term Financial Plan and achieving financial sustainability.
- The Council's arrangements for service transformation and cultural change.
- The Council's arrangements for working with its key partners to deliver services efficiently and improve the lives of local residents.

Audit logistics

Our interim visit will take place in March 2021 and our final visit will take place between July – September 2021. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report. Our audit approach is detailed in Appendix A.

Our fee for the audit will be £231,579 (PY: £235,900) for the Council and £33,000 (PY:£28,750) for the Pension Fund, subject to the Council and Pension Fund delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions (rebutted)	Council and Pension Fund	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the Council and Pension Fund revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • There is little incentive to manipulate revenue recognition. • Opportunities to manipulate revenue recognition are very limited. • The culture and ethical frameworks of local authorities, including that of Islington Council, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk at for the Islington Council and Islington Council Pension Fund.</p>	
Management over-ride of controls	Council and Pension Fund	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Evaluate the design effectiveness of management controls over journals. • Analyse the journals listing and determine the criteria for selecting high risk unusual journals. • Test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration. • Gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence. • Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings including Council Dwellings	Council	<p>The Council revalues its land and buildings, Heritage Assets and Investment Property on an annual basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets/Investment properties) at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£4 billion) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management has engaged the services of a valuer to estimate the current value as at 31 March 2021. We identified the valuation of land and buildings, Council Dwellings, heritage assets and investment properties, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> Evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work. Evaluate the competence, capabilities and objectivity of the valuation expert. Write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met. Engage our own valuer to assess the instructions to the Council's valuer, the Council's valuer's report and the assumptions that underpin the valuation. Test revaluations made during the year to see if they had been input correctly into the Council's asset register and financial statements. Assess the value of a sample of assets in relation to market rates for comparable properties. Test a sample of beacon properties in respect of council dwellings to consider whether their valuation assumptions are appropriate and whether they are truly representative of the other properties within that beacon group.
Valuation of the pension fund net liability	Council	<p>The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£911 million in the Council's balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p>	<p>We will:</p> <ul style="list-style-type: none"> Update our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls. Evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work. Assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation. Assess the reasonableness of the actuary's assumptions and calculations in-line with the relevant standards, including their consideration of the ongoing impact of the McCloud, Goodwin and Guaranteed Minimum Pension cases. Assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability. Test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary. Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Accuracy and presentation of the Private Finance Initiative (PFI) liabilities and associated disclosures	Council	<p>You have six schemes to be accounted for as PFI arrangements. These include two Housing PFI schemes, two Schools schemes, a Street Lighting scheme and a Care Homes scheme.</p> <p>The total liability relating to these schemes on the balance sheet was £111m as at 31 March 2020; the book value of associated assets was £374m.</p> <p>As these PFI transactions are significant, complex and involve a degree of subjectivity in the measurement of financial information, we have categorised them as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> review your PFI models and assumptions contained therein. compare your PFI models to previous year to identify any changes. review and test the output produced by your PFI models to generate the financial balances within the financial statements. review the PFI disclosures to assess whether they are consistent with International Accountancy Standard IFRIC12. We will check additional disclosures that you include within the financial statements to the PFI models.
Incomplete or inaccurate financial information transferred to the new income system	Council	<p>During the year, the Council replaced it's income system (Paris) with another (Civica). This move will result in transitioning data for billing and processing income. When implementing a new significant accounting system, it is important to ensure that sufficient controls have been designed and operate to ensure the integrity of the data. There is also a risk over the completeness and accuracy of any data transfer from the previous system.</p>	<p>We will:</p> <ul style="list-style-type: none"> Complete an information technology (IT) environment review to document, evaluate and test the IT controls operating within the new income system. Map the closing balances from the old system to the opening balance position in the new income system to ensure accuracy and completeness of the financial information. Sample test information from the old system to agree to the new system, and from the new system to the old system. Documentation of controls in place around the data transfer, including liaising with Internal Audit to understand their work on this.

Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of Level 3 Investments (Annual revaluation)	Pension Fund	<p>The Fund values its investments on an annual basis to ensure that the carrying value is not materially different from the fair value at the financial statements date.</p> <p>By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved (£87 million) and the sensitivity of this estimate to changes in key assumptions</p> <p>Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p> <p>Management utilise the services of investment managers and/or custodians as valuation experts to estimate the fair value as at 31 March 2021.</p>	<p>We will:</p> <ul style="list-style-type: none"> Evaluate management's processes for valuing Level 3 investments. Review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments; to ensure that the requirements of the Code are met. Independently request year-end confirmations from investment managers and the custodian. For a sample of investments, test the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconcile those values to the values at 31 March 2021 with reference to known movements in the intervening period. In the absence of available audited accounts, we will evaluate the competence, capabilities and objectivity of the valuation expert. Where available review investment manager service auditor report on design and operating effectiveness of internal controls.

Other risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Completeness of non-pay operating expenditure and associated short-term creditors	Council	<p>Non-pay expenditure on goods and services represents a significant percentage of the Council's gross operating expenditure. Management uses judgement to estimate accruals of un-invoiced costs.</p> <p>We identified completeness of non- pay expenditure and associated short-term creditors as a risk requiring particular audit attention.</p>	<p>We will:</p> <ul style="list-style-type: none"> Evaluate the Council's accounting policy for recognition of non-pay expenditure for appropriateness, including the use of de minimis level set. Gain an understanding of the Council's system for accounting for non-pay expenditure and evaluate the design of the associated controls. Obtain and test a listing of non-pay payments made in April and May 2021 to ensure that they have been charged to the appropriate year.
Income from water charges and agency agreement with Thames Water	Council	<p>In 2019/20, the Council disclosed it had an agency agreement with Thames Water whereby the council collects the payment of water bills from its HRA tenants on behalf of Thames Water. The Council received income of £1.473m for this arrangement in 2019/20 (£1.473m in 2018/19). In December 2019, Kingston-Upon-Thames lost a case brought against it by a tenant who held that their contract was for resale of water under which the recovery of commission was limited by law. The key issue in the case was whether the Council was acting as an 'agent' for Thames Water or a 'customer' in which case it was reselling water services and should have passed savings onto tenants. In October 2020, the Royal Borough of Kingston-Upon-Thames lost its appeal to the Court of Appeal over the High Court ruling. The Council believed that there are no circumstances whereby any of the income generated under this agreement is repayable to tenants the judgement that at this time. The Council is taking further advise to identify if a liability exists.</p> <p>We identified the completeness of short- and long-term provisions recognised and disclosure of contingent liabilities as a risk requiring particular audit attention.</p>	<p>We will:</p> <ul style="list-style-type: none"> Review disclosure and classification of short- and long-term provisions and ensure that they meet the requirements of the CIPFA Code and IAS 37. Discuss with the Council's legal advisors, review committee minutes and other sources of information to gain assurance over the completeness of provisions recognised.

Other risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Actuarial Present Value of Promised Retirement Benefits	Pension Fund	<p>The Fund discloses the Actuarial Present Value of Promised Retirement Benefits within its Notes to the Accounts. This represents a significant estimate in the financial statements.</p> <p>The Actuarial Present Value of Promised Retirement Benefits is considered a significant estimate due to the size of the numbers involved (£2.3 billion) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Fund's Actuarial Present Value of Promised Retirement Benefits as a risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> Update our understanding of the processes and controls put in place by management to ensure that the Fund's Actuarial Present Value of Promised Retirement Benefits is not materially misstated and evaluate the design of the associated controls. Evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work. Assess the competence, capabilities and objectivity of the actuary who carried out the Fund's valuation. Assess the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability. Test the consistency of disclosures with the actuarial report from the actuary. Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.
Valuation of Level 2 Investments	Pension Fund	<p>While level 2 investments do not carry the same level of inherent risks associated with level 3 investments, there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly.</p> <p>We therefore identified the valuation of the Fund's Level 2 investments as a risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> Gain an understanding of the Fund's process for valuing Level 2 investments and evaluate the design of the associated controls. Review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments. Review the reconciliation of information provided by the individual fund manager's custodian and the Pension Scheme's own records and seek explanations for variances. Independently request year-end confirmations from investment managers and custodian. Review investment manager service auditor report on design effectiveness of internal controls.

Other risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Contributions	Pension Fund	<p>Contributions from employers and employees' represents a significant percentage of the Fund's revenue.</p> <p>We therefore identified the completeness and accuracy of the transfer of contributions as a risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> Evaluate the Fund's accounting policy for recognition of contributions for appropriateness. Gain an understanding of the Fund's system for accounting for contribution income and evaluate the design effectiveness of the associated controls. Agree changes in Admitted/Scheduled bodies to supporting documentation and agree total contributions for each employer to employer contributions reports. Test a sample of contributions to source data to gain assurance over their accuracy and occurrence. Test relevant member data to gain assurance over management information to support a predictive analytical review with reference to changes in member body payrolls and the number of contributing employees to ensure that any unusual trends are satisfactorily explained.
Pension Benefits Payable	Pension Fund	<p>Pension benefits payable represents a significant percentage of the Fund's expenditure.</p> <p>We therefore identified the completeness, accuracy and occurrence of the transfer of pension benefits payable as a risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> Evaluate the Fund's accounting policy for recognition of pension benefits expenditure for appropriateness. Gain an understanding of the Fund's system for accounting for pension benefits expenditure and evaluate the design of the associated controls. Test a sample of lump sums and associated individual pensions in payment by reference to member files. Test relevant member data to gain assurance over management information to support a predictive analytical review with reference to changes in pensioner numbers and increases applied in year to ensure that any unusual trends are satisfactorily explained.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

Accounting estimates and related disclosures

The Financial Reporting Council issued an updated ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* which includes significant enhancements in respect of the audit risk assessment process for accounting estimates. We made several significant recommendations in our 2019/20 audit in relation to the Council's estimation processes, three of which were rated RED.

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Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit Committee and Audit Committee (Advisory) members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?



Accounting estimates and related disclosures (continued)

Additional information that will be required

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2021.

Based on our knowledge of the Council we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings, council dwellings, investment properties and heritage assets
- Depreciation
- Year end provisions and accruals, specifically for demand led services such as Adult's and Children's services
- Provision for Business Rates Appeals
- Credit loss and impairment allowances
- Valuation of defined benefit net pension fund liabilities
- Fair value estimates
- Valuation of level 2 and level 3 investments

The Council's Information systems

In respect of the Council's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Council uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Council (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.



Estimation uncertainty

Under ISA (UK) 540 we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and
- How management address this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to detail:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

Planning enquiries

As part of our planning risk assessment procedures we have sent inquiries to the management that will be presented at the Audit Committee and Audit Committee (Advisory) as part of our Informing the audit risk assessment report. We would appreciate a prompt response to these enquires in due course.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540_Revised-December-2018_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.

We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.

We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

We consider our other duties under legislation and the Code, as and when required, including:

- giving electors the opportunity to raise questions about your 2020/21 financial statements, consider and decide upon any objections received in relation to the 2020/21 financial statements;
- issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act).
- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
- issuing an advisory notice under section 29 of the Act
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on:

- whether a material uncertainty related to going concern exists; and
- the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements.

The Public Audit Forum has been designated by the Financial Reporting Council as a "SORP-making body" for the purposes of maintaining and updating Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (PN 10). It is intended that auditors of public sector bodies read PN 10 in conjunction with (ISAs) (UK).

PN 10 has recently been updated to take account of revisions to ISAs (UK), including ISA (UK) 570 on going concern. The revisions to PN 10 in respect of going concern are important and mark a significant departure from how this concept has been audited in the public sector in the past. In particular, PN 10 allows auditors to apply a 'continued provision of service approach' to auditing going concern, where appropriate. Applying such an approach should enable us to increase our focus on wider financial resilience (as part of our VfM work) and ensure that our work on going concern is proportionate for public sector bodies. We will review the Council's arrangements for securing financial sustainability as part of our Value for Money work and provide a commentary on this in our Auditor's Annual Report.

Materiality

The concept of materiality

Materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

Council

We have determined financial statement materiality based on a proportion of the gross expenditure of the Council for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £16.6m (PY £16.5m) for the Council, which equates to approximately 1.5% of the Council's prior year gross expenditure for the year.

Pension Fund

We have determined financial statement materiality based on a proportion of the net assets of the Pension Fund for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £13.5m (PY £13.5m) for the Pension Fund, which equates to approximately 1% of the Pension Fund's prior year net assets.

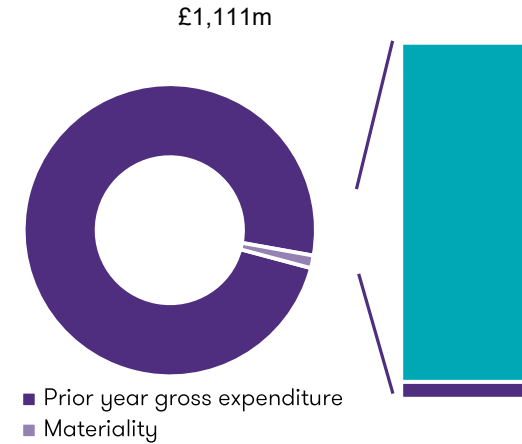
We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit Committee and Audit Committee (Advisory)

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.83m (PY £0.8m). For the Pension Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.68m (PY £0.68m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

Council prior year gross expenditure

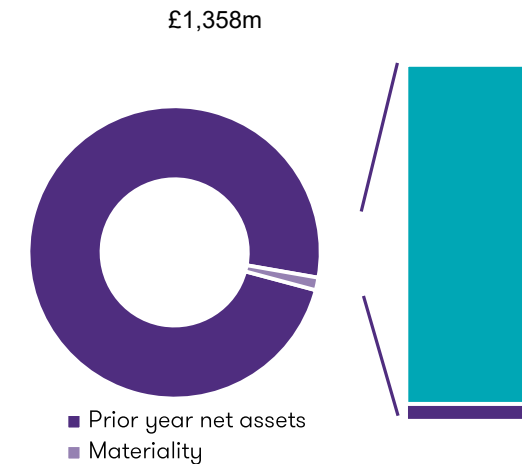


Materiality

£16.6m
Council financial statements materiality (PY: £16.5m)

£0.83m
Council misstatements reported to the Audit Committee and Audit Committee (Advisory) (PY: £0.8m)

Pension Fund prior year net assets



Materiality

£13.5m
Council financial statements materiality (PY: £13.5m)

£0.68m
Council misstatements reported to the Audit Committee and Audit Committee (Advisory) (PY: £0.68m)

Value for Money arrangements

Revised approach to Value for Money work for 2020/21

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money. (VFM)

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach
- The replacement of the binary (qualified / unqualified) approach to VFM conclusions, with far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information



Risks of significant VFM weaknesses

As part of our planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. Whilst our planning assessment did not identify any significant weaknesses in arrangements at this stage, we have highlighted further key areas of focus which are listed below. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

Key areas of focus

The Local Government operating environment has been significantly impacted by the pandemic and the future funding regime remains uncertain and this lack of certainty will impact on the Council's ability for long term planning. Our Value for Money work will primarily focus on the aspects listed below, but may increase in scope as further work is performed

- The Council's arrangements in response to the Covid-19 pandemic and capitalising on the benefits from the different models of service delivery and ways of working brought about by the pandemic.
- The Council's arrangements for setting the Medium Term Financial Plan and achieving financial sustainability.
- The Council's arrangements for service transformation and cultural change.
- The Council's arrangements for working with its key partners to deliver services efficiently and improve the lives of local residents.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

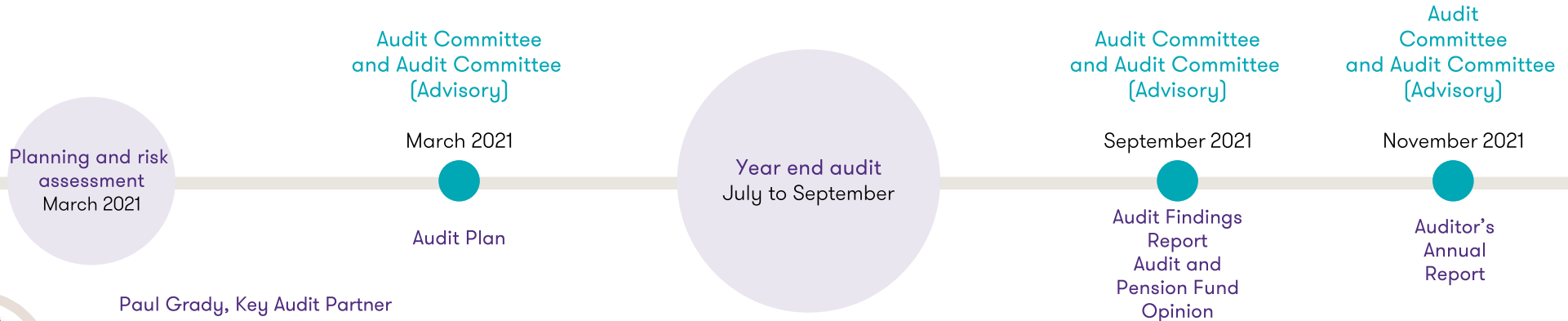
The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

Audit logistics and team



Paul Grady, Key Audit Partner

Paul is responsible for overall quality control; accounts opinions; final authorisation of reports; liaison with the Audit Committee, the Chief Executive and the Corporate Director Resources. He will share his wealth of knowledge and experience across the sector providing challenge and sharing good practice. Paul will ensure our audit is tailored specifically to you, and he is responsible for the overall quality of our audit work. Paul will sign your audit opinion.



Ade Oyerinde, Senior Manager

Ade is responsible for overall audit management, quality assurance of audit work and output, and liaison with the Audit Committee, CDR and finance team. He will undertake reviews of the team's work and draft reports, ensuring they remain clear, concise and understandable. Ade will be responsible for the delivery of our work on your arrangements in place to secure value for money.



Nick Halliwell, Audit Manager

Nick will support Ade in his work to ensure the early delivery of audit testing and agreement of accounting issues. He will attend Audit and Committee and Audit Committee (Advisory) meetings and draft reports, ensuring they remain clear, concise and understandable to all. He will also carry out first reviews of the team's work and also oversee the review of the Whole of Government Accounts



Lydia Smith, Audit Incharge

Lydia is responsible for management and delivery of audit fieldwork, including both interim and final accounts work. She will monitor the deliverables, manage the query log with your finance team and highlight any significant issues and adjustments to senior management.

Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- Produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement.
- Ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- Ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing. These reports should be cleansed so that reversing transactions are removed.
- Provide debtor and creditor listings that are the balances outstanding at the year end
- Ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- The Council's experts provide clarity and detail over their work to enable auditors to challenge the accounting and valuation judgements used.
- Respond promptly and adequately to audit queries.

Audit fees

PSAA awarded a contract of audit for Islington Council and the Islington Council Pension Fund to begin with effect from 2018/19. The scale fee in the contract was £156,179 for the Council audit and £16,170 for the Pension Fund. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2020/21 audit.

The 2020/21 Code introduces a revised approach to our VFM work. This requires auditors to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach. Auditors now have to make far more sophisticated judgements on performance, as well as issue key recommendations if any significant weaknesses in arrangements are identified during the audit. We will be working with the NAO and other audit firms to discuss and share learning in respect of common issues arising across the sector.

The new approach will be more challenging for audited bodies, involving discussions at a wider and more strategic level. Both the reporting, and the planning and risk assessment which underpins it, will require more audit time, delivered through a richer skill mix than in previous years. Our estimate is that for your audit, this will result in an increased fee of £50,500 (28%). This is in line with increases we are proposing at all our local audits.

Additionally, across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as noted in the number of revised ISAs issued by the FRC that are applicable to audits of financial statements commencing on or after 15 December 2019, as detailed in Appendix 1.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. We have engaged an audit expert to improve the level of assurance we require for property valuations estimates, which has been included in our proposed audit fee. Our proposed work and fee for 2020/21, as set out below, is detailed overleaf and has been agreed with the Executive Director of Resources

	Actual Fee 2018/19	Actual Fee 2019/20	Proposed fee 2020/21
Council Audit	£156,179	£235,900	£231,579
Pension Fund audit	£16,170	£28,750	£33,000
Total audit fees (excluding VAT)	£172,349	£264,650	£264,579

Assumptions

In setting the above fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis Council

Scale fee published by PSAA	£156,179
<i>Ongoing increases to scale fee first identified in 2019/20</i>	
Raising the bar/regulatory factors	£12,000
Enhanced audit procedures for Property, Plant and Equipment including additional work at accounts	£34,400
Enhanced audit procedures for Pensions	£3,500
Covid-19 impact	£29,821
Audit fee 2019/20	£235,900
Audit fee 2019/20 excluding Covid impact and PPE additional fees	£181,079
<i>New issues for 2020/21</i>	
Additional work on Value for Money (VfM) under new NAO Code	£26,000
Increased audit requirements of revised ISAs	£17,000
Work on the migration to the new income system	£7,500
Total audit fees (excluding VAT)	£231,579

Audit fees – detailed analysis Pension Fund

Scale fee published by PSAA	£16,170
<i>Ongoing increases to scale fee first identified in 2019/20</i>	
Raising the bar/regulatory factors	£5,000
Enhanced audit procedures for Level 3 investments	£3,830
Covid-19 impact	£3,750
Audit fee 2019/20	£28,750
Audit fee 2019/20 excluding Covid impact	£25,000
<i>New issues for 2020/21</i>	
Increased audit requirements of revised ISAs	£8,000
Total audit fees (excluding VAT)	£33,000

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Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard (Revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 11 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council.

Other services

The other services provided by Grant Thornton are set out in the table opposite

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Service	Fees £	Threats	Safeguards
Audit related			
Certification of Housing Benefit subsidy claim	20,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is low in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Agreed upon Procedures relating to the Pooling of Housing Capital Receipts	5,000	As above	As above
Agreed upon Procedures relating to the Teachers' Pensions end of year certificate	5,000	As above	As above
Non-audit related			
CFO insights subscription	10,000	As above	As above


Appendix 1: Revised Auditor Standards and application guidance

FRC revisions to Auditor Standards and associated application guidance



The following Auditing Standards and associated application guidance that were applicable to 19/20 audits, have been revised or updated by the FRC, with additional requirements for auditors for implementation in 2020/21 audits and beyond.

	Date of revision	Application to 2020/21 Audits
ISQC (UK) 1 – Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements	November 2019	✓
ISA (UK) 200 – Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK)	January 2020	✓
ISA (UK) 220 – Quality Control for an Audit of Financial Statements	November 2019	✓
ISA (UK) 230 – Audit Documentation	January 2020	✓
ISA (UK) 240 – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements	January 2020	✓
ISA (UK) 250 Section A – Consideration of Laws and Regulations in an Audit of Financial Statements	November 2019	✓
ISA (UK) 250 Section B – The Auditor’s Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector	November 2019	✓

Appendix 1: Revised Auditor Standards and application guidance (continued)

	Date of revision	Application to 2020/21 Audits
ISA (UK) 260 – Communication With Those Charged With Governance	January 2020	
ISA (UK) 315 – Identifying and Assessing the Risks of Material Misstatement Through Understanding of the Entity and Its Environment	July 2020	
ISA (UK) 500 – Audit Evidence	January 2020	
ISA (UK) 540 – Auditing Accounting Estimates and Related Disclosures	December 2018	
ISA (UK) 570 – Going Concern	September 2019	
ISA (UK) 580 – Written Representations	January 2020	
ISA (UK) 600 – Special considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)	November 2019	
ISA (UK) 620 – Using the Work of an Auditor’s Expert	November 2019	
ISA (UK) 700 – Forming an Opinion and Reporting on Financial Statements	January 2020	

Appendix 1: Revised Auditor Standards and application guidance (continued)

	Date of revision	Application to 2020/21 Audits
ISA (UK) 701 – Communicating Key Audit Matters in the Independent Auditor’s Report	January 2020	
ISA (UK) 720 – The Auditor’s Responsibilities Relating to Other Information	November 2019	
Practice Note 10: Audit of Financial Statements of Public Sector Bodies in the United Kingdom	December 2020	



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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