



DISTRICT COUNCIL

Despatched: 10.03.14

**AUDIT COMMITTEE**

**18 March 2014 at 7.00 pm**

**Conference Room, Argyle Road, Sevenoaks**

**AGENDA**

**Membership:**

Chairman: Cllr. Grint

Cllrs. Mrs. Bayley, Ms. Chetram, Mrs. Cook, Fittock, McGarvey, Orridge, Mrs. Purves and  
Towell

	<b><u>Pages</u></b>	<b><u>Contact</u></b>
<b>Apologies for Absence</b>		
1. <b>Minutes</b>	(Pages 1 - 6)	
To agree the Minutes of the meeting of the Audit Committee held on 14 January 2014, as a correct record.		
2. <b>Declarations of Interest</b>		
Any declarations of interest not already registered.		
3. <b>Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations (if any)</b>		
4. <b>Actions from Previous Meeting (if any)</b>	(Pages 7 - 8)	
5. <b>Internal Annual Audit Plan 2014/15</b>	(Pages 9 - 18)	Bami Cole Tel: 01732 227236
6. <b>Internal Audit Progress Report</b>	(Pages 19 - 34)	Bami Cole Tel: 01732 227236
7. <b>Risk Management Strategy</b>	(Pages 35 - 48)	Bami Cole Tel: 01732 227236
8. <b>Work Plan</b>	(Pages 49 - 50)	

## **EXEMPT INFORMATION**

(At the time of preparing this agenda, there were no exempt items. During any such items which may arise, the meeting is likely NOT to be open to the public.)

To assist in the speedy and efficient despatch of business, Members wishing to obtain factual information on items included on the Agenda are asked to enquire of the appropriate Contact Officer named on a report prior to the day of the meeting.

Should you require a copy of this agenda or any of the reports listed on it in another format please do not hesitate to contact the Democratic Services Team as set out below.

For any other queries concerning this agenda or the meeting please contact:

**The Democratic Services Team (01732 227241)**

**AUDIT COMMITTEE**

Minutes of the meeting held on 14 January 2014 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllrs. Ms. Chetram, Mrs. Cook, Fittock, McGarvey and Towell

Apologies for absence were received from Cllrs. Mrs. Bayley, Orridge and Mrs. Purves

Cllr. Ramsay was also present.

19. Minutes

Resolved: That the minutes of the Audit Committee held on 10 September 2013 be agreed and signed as a correct record.

20. Declarations of Interest

There were no additional declarations of interest.

21. Responses of the Council, Cabinet or Council Committees to the Audit Committee's reports and / or recommendations (if any)

There were none.

22. Actions Arising from the Minutes (if any)

There were none.

23. External Audit - Update

The Chairman welcomed Mr. Andy Mack and Mr. Geoffrey Banister from Grant Thornton the Council's External Auditors to the meeting.

Mr. Geoffrey Banister reported that the Annual Audit letter 2012/13 summarised the findings from the work carried out at the Council which included:

- Audit of the accounts,
- Value for Money; and
- Certification of grant claims and returns.

He informed Members that this was the first year under the new audit system and that there had been some challenges but that it was a positive report. He thanked the Audit, Risk and Anti-Fraud Manager, the Chief Finance Officer and their teams for the good relationship and hard work. The Audit of the accounts papers was well prepared, and there were only a few errors.

## Agenda Item 1

### Audit Committee - 14 January 2014

He explained that the fees for the grant claims audit had been reduced as there had been less errors made. This was partly due to improvements made to the computer system which now calculates more elements of the claims automatically. He explained that staff in the Benefits team had improved their processes which resulted in fewer errors.. The Committee conveyed their thanks to the Benefits and IT departments for their work on this. Mr. Banister also expressed his thanks to the Benefits Team who had a good learning culture and taken on the improvements suggested last year.

Mr. Banister advised Members that the 2016 Tipping Point document contained a summary of a financial health check carried out on 138 English Authorities which were audited by Grant Thornton. In response to a question, the Chief Finance Officer advised Members that the Annual Governance Statement had been delayed to ensure that it included the change in Governance arrangements and the Council's reorganisation.

Mr. Banister informed Members that the Council was consistently proactive in managing resources and that the Council was not afraid of change. There were many 'good practice' processes in place already such as the rolling ten year plan which Grant Thornton had included as a best practice case study in the Tipping Point document, and partnership working. He also advised Members that the Council would need to look into new ways for managing financial pressures, but that Sevenoaks District Council had been looking forward to the impact of these pressures and the actions that could be implemented.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

#### 24. External Audit - Housing and Council Tax Benefit Grant 2012/13

Mr. Andy Mack from Grant Thornton presented a report to Members which advised that the Housing and Council Tax Benefit remained a complex area and the audit of the 2012/13 grant had been amended and qualified with significantly fewer errors than 2011/12. Mr. Mack informed Members that there was one recommendation for further training on the calculation of earnings for benefits staff, actions were already being taken to address this issue. Other actions had previously been advised and had improved the performance of the service.

In response to a question, Mr. Mack explained that the requirement to investigate errors as small as 1p out was down to the Department of Work and Pensions (DWP). There was not a set level for charges, however the audit fee for grant claims in 2012/13 was less than what was charged in 2011/12 due to the fewer number of errors being made.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

**Audit Committee - 14 January 2014**25. Internal Audit 2013/14 - 2nd Progress Report

The Audit, Risk and Anti-Fraud Manager presented a report detailing the progress made by the audit team in delivering the 2013/14 Annual Internal Audit Plan and the outcome of final internal audit reports issued since the meeting of the Committee in September 2013.

Members discussed the introduction of the Community Infrastructure Levy (CIL) and the problems that could be around monitoring the use of the money. The Committee agreed that more information was needed. It was brought to the Committees attention that a report on the CIL was going to the Local Planning and Environment Advisory Committee on Wednesday 22 January 2014 and it was recommended that Members of this committee should read this report to update their understanding.

*Action 1: That CIL should be audited on a regular basis to ensure that it is being dealt with correctly.*

Members expressed their thanks to the team at Dunbrik and the Emergency Planning Team for all their work during the floods over Christmas 2013. In response to a question, the Chief Finance Officer explained that the recommendation for procedure notes for finance functions to be made available to relevant staff was to ensure cover could be provided if the Finance and Admin Manager was absent.

The Committee thanked the Audit, Risk and Anti-Fraud Manager for his work and the work of the Internal Audit Team.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty

Resolved: That the content and progress made by the Audit Team be noted.

26. New Audit Standards Charter

The Audit Risk and Anti-Fraud Manager presented a report on the revised Internal Audit Charter. The revised Charter took account of the requirements of the new Public Sector Internal Audit Standards and recent organisational changes within the Council. The Audit Charter set out the purpose, authority and responsibility of the Council's internal audit service. It was a key document affecting the effectiveness of internal audit. The Committee was required to approve amendments to the Charter.

Members expressed concern at the some of the wording in the Audit Charter regarding consultancy activities. The Audit, Risk and Anti-Fraud Manager explained that the Audit Team would only take part in such work if it was deemed not to have a conflict of interest with the regulatory work. Consultancy work is discretionary and would be separate from core audit activities. The Audit Committee would be advised whenever such work is commissioned by management. Also any consultancy work would be separate and independent from core internal audit activities, in order to maintain objectivity and the integrity of the audit function.

## Agenda Item 1

### Audit Committee - 14 January 2014

Members agreed that should the Audit Team take part in consultancy type work that then the Audit Committee should be informed.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty and that the effective governance of the Council constituted with engagement with all sections of the community and therefore would promote fairness and the potential to promote equality and community wellbeing.

Resolved: That the contents of the report be noted; and the revised Internal Charter be approved.

#### 27. Risk Management Update

The Audit, Risk and Anti-Fraud Manager presented an update report on progress made in implementing the Council's revised risk management framework. The report contained the Council's revised risk management policy which advised Members that effective Risk Management was a key indicator of the Council's overall governance and internal control processes. The policy reflected developments within the Council's new government arrangements and new senior management structure and was intended to facilitate the effective management of business risks across the Council

In response to a question, the Audit, Risk and Anti-Fraud Manager informed Members that as it was a policy statement it was good practice to review it annually to ensure that it was still fit for purpose.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the content of the report be noted; and the Council's revised risk policy statement be approved.

#### 28. Member Training

The Chief Finance Officer presented a report detailing the responses received to a questionnaire sent to Members of the Committee to obtain the views of training needs. Areas identified were:

- Internal Audit Standards
- Anti-Fraud and Corruption Arrangements
- Role of the Fraud Team
- Risk Management understanding
- Statement of Accounts; and
- Introduction to Financial Procedures and Contact Standing Orders.

Members agreed that by having training on these subjects it would help them to be aware of issues in the future. It was also agreed that where possible, training would initially be provided by including a larger introduction when agenda items are provided to the Committee on the relevant subject areas.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the identified training needs be noted.

29. Work Plan

The work plan was noted subject to the:

- Strategic Risk Register report added to the meeting on 18 March 2014; and
- The Annual Governance Statement be moved to the June meeting.

THE MEETING WAS CONCLUDED AT 8.11 AM

CHAIRMAN

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**ACTIONS FROM THE MEETING HELD ON 14.01.2014**

<b>Action</b>	<b>Description</b>	<b>Status and last updated</b>	<b>Contact Officer</b>
ACTION 1	That Community Infrastructure Levy should be audited on a regular basis to ensure that it is being dealt with correctly.	To be discussed under Agenda Item 5	Bami Cole

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**ANNUAL INTERNAL AUDIT PLAN 2014/15**

**Audit Committee – 18 March 2014**

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

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**This report supports the Key Aim of Effective Management of Council Resources**

**Portfolio Holder** Cllr. Ramsay

**Contact Officer(s)** Bami Cole, ext.7236

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**Recommendation to Audit Committee:** That members approve the draft Internal Audit Plan for 2014/15

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**Reason for recommendation:** The Internal Annual Audit Plan is required to be approved by the Audit Committee prior to implementation.

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**Introduction**

- 1 This report incorporates the Annual Internal Audit Programme for 2014/15, attached as Appendix A to this report. The objective of the plan is to ensure that Internal Audit delivers reasonable assurance to the Council regarding the effectiveness of internal control, governance and risk management processes in fulfilment of the Council's statutory responsibilities.
- 2 The plan has been prepared in accordance with professional guidance, including the new Public Sector Internal Audit Standards 2013 and regulatory requirements, in particular the Accounts and Audit Regulations 2011.
- 3 The Audit Committee is required by its terms of reference, to approve the Annual Internal Audit Plan prior to its implementation.
- 4 The programmed work of Internal Audit is informed by an assessment of the audit environment consisting of all the activities within the Council. This took account of changes within the Council over the last 12 months, incorporating audit priorities on a risk assessed basis, in consultation with senior management. This methodology has been used to help ensure that audit resources are targeted to the areas where the work of Internal Audit would be most effective in improving internal controls, the efficiency of service delivery, and to facilitate the effective management of identified risks.

**Summary of Issues in the Audit Plan:**

- 5 The proposed Audit Plan for 2014/15 has 20 key reviews totalling 300 direct audit days, which cut across the whole Council and includes key financial systems.

## Agenda Item 5

This would enable sufficient audit work to be carried out within the limits of existing Internal Audit resources and working in partnership with Dartford Borough Council to deliver their own separate Internal Audit Plan.

- 6 In addition to the planned reviews, 25 audit days have been set aside for system advice and information, 55 days for fraud irregularity and special projects (Including participating in the National Fraud Initiative (NFI) aimed at protecting the Council against external fraud), 190 days for service development, audit planning, risk management, Audit Committee reporting and general administration. Forty days is also set aside for Audit Management.
- 7 In addition to the programmed reviews set out in Appendix A, a resource plan for Sevenoaks District Council is attached as Appendix B, showing the resource available for the year and how it has been allocated.
- 8 All work undertaken during the year and any proposals for amendment of the plan will be reported to the Audit Committee through the routine monitoring arrangement of progress against the Audit Plan by the Audit Committee.

### **Co-operation with External Audit**

- 9 During the course of the year, Internal Audit will work closely with the External Auditors, Grant Thornton, within the terms of an agreed protocol, to ensure an effective and efficient delivery of the assurance requirements for the Council and to minimise duplication.

### **Revisions of the Audit Plan**

- 10 In view of the changing and dynamic nature of the current economic and regulatory environment, Internal Audit will remain responsive to the needs of the Council during 2014/15. As a result, revisions to the plan may be required should the risk profiles or regulatory requirements affecting the Council changes. Where changes within the environment necessitate revisions to the audit plan, any proposed changes would be agreed with the Chief Executive prior to seeking the approval of the Audit Committee, and before implementation.

### **Key Implications**

#### Financial

11. Not Applicable.

#### Legal Implications and Risk Assessment Statement.

12. No additional legal implication beyond the Council's duty to comply with the Accounts and Audit Regulations 2011.

The Council is required to comply with the requirements of the Accounts and Audit Regulations 2011, regarding its "arrangements to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The report indicates that the Council has effective arrangements in place as required by regulatory requirements and professional standards.

Equality Impacts

13.

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

Sustainability Checklist

14. Not Applicable.

**Conclusions**

15. The attached plan incorporates the assurance requirements for 2014/15, and is in accordance with relevant professional and regulatory requirements. The Committee is therefore requested to approve the plan.

**Appendices**

Appendix A – Draft Internal Audit Plan for 2014/15  
 Appendix B - Resource Plan for Sevenoaks District Council

**Background Papers:**

Internal Audit Annual Plan for 2013/14  
 New Public Sector Internal Audit Standards 2013  
 Audit Committee Report 11 June 2013  
 Accounts and Audit Regulations 2011  
[\[http://www.legislation.gov.uk/ukxi/2011/817/contents/made\]](http://www.legislation.gov.uk/ukxi/2011/817/contents/made)

**Adrian Rowbotham**  
**Chief Finance Officer**

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## District Council Proposed Audits for 2014/15

Areas to be Audited	Department	Overview of Audit Scope
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Key Financial Systems

1. Review of Key Financial Systems	Finance	This review will cover the Council's key financial systems. The scope of the review will be dependent on the assessment of risks at the time of the audit. In view of their inherent risks, all main financial systems have previously been reviewed annually, irrespective of the level of assurance gained from the previous internal or external audit. Going forward, greater focus will be placed on the existing level of risks, in order to inform the precise scope of the review. The scope will cover all aspects of key financial systems assessed as requiring further assurance during the financial year, including the Agresso upgrade and TASK. (20 days)
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Other Financial Systems

2. Review of The Council's Insurance Arrangement	Finance	This review will examine key trends on insurance claims, in order to ascertain whether there are any common factors or areas of concerns which might require further action, in order to provide an assurance regarding fitness for purpose and effectiveness in delivering Council objectives. (15 days)
3. Council Tax /NDR	Partnership	This review will examine the new system for Business Rates to provide assurance regarding its fitness for purpose and effectiveness. Including maximisation of available income opportunities. It will also assess any new areas for innovation. ( 10 days)
4. Council Tax Support and Housing Benefits	Partnership	This review will examine the arrangements in place to implement new and proposed changes relating to welfare reforms in order to provide an assurance regarding effectiveness in delivering the new systems and fitness for propose. (10 days)
5. Review of New Cash Till	Contact Centre/Finance	This review will examine the new cash till arrangements in order to

## District Council Proposed Audits for 2014/15

Arrangements		provide an assurance that it is operating effectively in delivering service objectives. (15 days)
6. Review of Payroll	HR	This review will cover the new payroll contracting arrangements and its operation, in order to provide an assurance regarding compliance with Council procedures and fitness for purpose. (15 days)

Control Environment Reviews

7. Review of Procurement and Contracting	Finance/Corporate	This review will examine the arrangements in place for procurement and contracting, following recent changes in EU requirements, in order to provide an assurance regarding fitness for purpose and compliance with statutory requirements and relevant EU regulations. (10 days)
8. Review of Corporate Governance, include arrangements for the Annual Governance Statement (AGS)	Finance/Corporate	This review will examine the Council's Governance structure, following recent organisational and governance changes, including the arrangements for the AGS, in order to provide an assurance regarding fitness for purpose and effectiveness in delivering Council objectives; and compliance with statutory requirements. (15)
9. Review of Recent Senior Management and Organisational Changes	Finance/Corporate	This review will examine the impact of recent organisational changes to provide an assurance regarding the effectiveness in delivering the Corporate Plan. (20 days)
10. Risk Management	Corporate Review	This would be the first review following the implementation of the new Risk Management Framework. Thus the review would primarily focus on fitness for purpose of the new framework and compliance; in order to provide an assurance regarding the effectiveness of the framework in delivering Council's objectives .(15 days)
11. Review of Performance Management Framework	Corporate Review	To review the arrangements in place for the setting and monitoring of Performance Data in delivering the Council's objectives. The key aspects of the review would include relevance, completeness, accuracy



## District Council Proposed Audits for 2014/15

		and usability of available data in measuring performance, in order to provide assurance regarding their effectiveness. (15 days)
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Operational Audits

12. Review of Markets	Environmental Services	This review will examine the arrangements in place and proposed changes for the administration of the Council's markets, in order to provide an assurance regarding its effectiveness. (15 days)
13. Review of the Council's Electoral Process	Legal Services	This review will examine the Council's arrangements for the administration of new arrangements for registration of electors and elections and to ascertain fitness for purpose in delivering service objectives and resilience of provision; in order to provide an assurance regarding effectiveness in delivering service objectives and safeguarding of the Council's reputation. (15 days)
14. Review of Data Protection Arrangements and Records Management	Corporate wide	This review would focus on the arrangements in place for meeting statutory requirements for Data Protection and the effectiveness of the Council's arrangement for the maintenance of Records; in order to provide an assurance regarding fitness for purpose and effectiveness in delivering Council and service objectives. (15 days)
15. Review of Disabled Facilities Grants (DFG)	Housing	This review will examine the arrangements in place for the administration of DFG in order to provide an assurance regarding fitness for purpose in delivering service objectives and the Council's responsibilities. Specific details of the scope will be agreed with service management prior to commencing the review (15 days)
16. Arrangements for Implementing Community Infrastructure Levy (CIL)	Planning	This review will examine the new arrangements for CIL which are planned to come into place from 4 August 2014; in order to provide an assurance regarding fitness for purpose and effectiveness in delivering Council objectives and compliance with relevant statutory requirements. (15 days)
17. Review of Agency Staff	Corporate wide	This review will examine the arrangements for the employment of agency staff and consultants, in order to provide an assurance

## District Council Proposed Audits for 2014/15

and Contracting, Including the use of Consultants		regarding fitness of purpose and delivering value for money for the Council. (15 days)
18. Review of Building Control	Environmental Services	This review will examine the arrangements within building control for delivering service objectives, in order to provide an assurance regarding fitness for purpose and effectiveness of service provision. In particular, fee scales will feature within the scope and compliance with Council procedures. (15 days)
19. Review of Dunbrik	Depot	This review will cover aspects of the activities in Dunbrik not covered in recent audits. In particular, it will examine, fuel arrangements and stores, arrangements or replacement of vehicle parts and other relevant aspects of Dunbrik activities required to provide assurance regarding the effectiveness of operation and service delivery in meeting Council objectives. The precise scope of the review will be agreed with senior management prior to commencing the review. (20)

Brought Forward Audits From 2013/14

20. Repair and Maintenance Arrangements	Corporate	This review will examine the arrangements for repairs and maintenance of the buildings owned by the Council's, in order to provide an assurance regarding fitness for purpose and effectiveness in delivering service objectives. (15)
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Proposed Audits for 2014/15

**RESOURCES FOR ANNUAL INTERNAL AUDIT PLAN 2014/15**

	<b>DAYS PLANNED</b>
Total Available Days for Year 2014/15	810
<b>LESS:</b>	
Bank holidays and authorised leave	133
Staff development & training	29
Sick leave	18
Total	180
<b>AUDIT DAYS AVAILABLE</b>	<b>630</b>
Audits	300
Fraud, irregularity and special projects	55
Contract audit	5
Systems advice and contingencies	40
General administration/Committee reporting/service development/Audit Planning/risk management/joint working	190
Audit management	40
Total Days	<b>630</b>

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## INTERNAL AUDIT PROGRESS REPORT

### Audit Committee – 18 March 2014

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

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**This report supports the Key Aim of** Effective Delivery of the Corporate Plan

**Portfolio Holder** Cllr. Ramsay

**Contact Officer(s)** Bami Cole, ext.7236

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**Recommendation to Audit Committee:** That Members note the contents of the report and the progress made by the audit team in delivering the 2013/14 Annual Internal Audit Plan.

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**Reason for recommendation:** The Audit Committee is required to review the progress of the Internal Audit Plan in compliance with its terms of reference.

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### Introduction

- 1 This report provides details of the progress of the Internal Audit Team in delivering the Annual Internal Audit Plan 2013/14 and outcomes of final internal audit reports issued since the meeting of the committee in January 2014. This is the third progress report sent to the Audit Committee since its formation in May 2013.
- 2 The internal audit function is a key process of the Council's overall governance arrangements. Its key purpose is to conduct independent reviews of the Council's system of internal controls and to provide an assurance to both senior Management and Members regarding the effectiveness of such systems. In fulfilling his duty and responsibilities, the Audit Manager, is required to report to the Audit Committee on the progress made in delivering the internal audit plan in meeting the Council's assurance requirements, in accordance with relevant professional standards.

### Summary of Issues Raised Within the Report:

- 3 A summary of progress made towards delivering the assurance requirements for 2013/14 is attached as Appendix A to this report, which sets out details of the reviews agreed initially by the Performance and Governance Committee, in April 2013; and subsequently endorsed, by the Audit Committee in June 2013. Members may note that fifteen planned reviews have been completed, to either draft or final report stage. This is equivalent to 71% of the revised plan. Substantial progress has been made in completing the remaining reviews which are planned

## Agenda Item 6

to be completed by year end, in order to facilitate an appropriate level of assurance for 2013/14.

- 4 Appendix B sets out details of the reports which were issued since the last meeting of this committee and provides a brief summary of the findings and recommendations agreed with service management, to address any areas for further improvements, which are required to strengthen internal controls. No significant issues were raised on the reports issued since the last meeting, with all reviews scoring a “good” opinion for both Frameworks and Implementation. Further details on any of the issues raised on the report summaries would be provided to members of this committee on request.

### Internal Audit Resources

- 5 Internal audit resources have been under capacity during the quarter due to long term sickness of a staff member. This consequently put some strain on delivery of the plan. However, this has been mitigated to some extent by the deferment of one review which has been carried forward to next year’s audit plan and the use of agency staff. In view of this, we are still on course to deliver the audit plan and the appropriate level of assurance for the Council by year end.

### New Public Sector Internal Audit Standards

- 6 Work on the new Public Sector Internal Audit Standards which came into effect on 1 April 2013. It is expected that a full report regarding the implications of the new standards and how it will be implemented will be taken to the Audit Committee in June 2014.

## **Key Implications**

### Financial

7. Not Applicable.

### Legal Implications and Risk Assessment Statement.

8. No additional legal implication beyond the Council’s duty to comply with the Accounts and Audit Regulations 2011.

The Council is required to comply with the requirements of the Accounts and Audit Regulations 2011, regarding its “arrangements to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”. The report indicates that the Council has effective arrangements in place as required by regulatory requirements and professional standards.

Equality Impacts

9.

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

Sustainability Checklist

10. Not Applicable.

**Conclusions**

11. This report sets out progress of the Internal Audit Team in delivering the Council's assurance requirements for 2013/14 and provides a summary of final reports issued since the meeting of the Audit Committee in June 2013. No significant concerns have been identified in audit reviews to date. Where issues for further improvements have been identified, internal audit have agreed appropriate and timely actions to address such issues.

**Appendices**

- Appendix A – Progress Against 2013/14 Plan
- Appendix B - Summary of Final Reports Issued
- Appendix C - Audit Opinions - Definitions

**Background Papers:**

- Internal Audit Annual Plan for 2013/14
- New Public Sector Internal Audit Standards 2013
- Audit Committee Report 11 June 2013
- Accounts and Audit Regulations 2011
- [\[http://www.legislation.gov.uk/uksi/2011/817/contents/made\]](http://www.legislation.gov.uk/uksi/2011/817/contents/made)

**Adrian Rowbotham**  
**Chief Finance Officer**

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PROGRESS AGAINST 2013/14 INTERNAL AUDIT PLAN					Status at 25/2/14		
		Final report issued	Draft report issued	Feedback process in progress	Fieldwork in progress	Brief issued	Possibly defer or cancel
1	Main Accounting System				X		
2	Budgetary Control				X		
3	Bank Reconciliations				X		
4	Treasury Management	X					
5	Payroll		X				
6	Purchasing & Creditors	X					
7	Debtors			X			
8	Council Tax/NNDR		X				
9	Council Tax/Housing Benefits	X					
10	Housing	X					
11	Car Parking Income	X					
12	Contract Management Arrangements	X					
13	Shared Services Recharges		X				
14	Section 106 Agreement	X					
15	Annual Governance Statement	X					
16	Information Management		X				
17	IT Review				X		
18	Dunbrik	X					
19	Corporate Health & Safety Arrangements	X					
20	Safeguarding Arrangements	X					
21	Planning & Development Control				X		
22	Repair & Maintenance Arrangements						X
	<b>Total</b>	11	4	1	5	0	1

Notes: 68% (15) of planned (revised) reviews completed to either final or draft report stage  
27% (6) Substantially in progress to be completed by year end (March 2014)  
5% (1) review taken forward to 2014/15

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**Review of Council Tax Support & Housing Benefit 2013/14 Issued 13 February 2014**

**Opinion:** Control Framework – Good  
Compliance with Framework – Good  
(For the previous year (2012/13) a single opinion was issued and this was ‘Good’)

The purpose of this review was to provide assurance regarding the effectiveness of the Benefits Service in delivering service objectives and the shared service arrangements between Dartford Borough Council (DBC) and Sevenoaks District Council (SDC). In particular, the review examined areas of previous internal or external audit concern. It also included an examination of the arrangements for implementing the requirements of new legislation and statutory requirements involving the local scheme of support for Council Tax and Universal Credit.

To this effect, the following key risks and controls were examined;

- 1) Risk that the Council may not comply with relevant legislation, policies or good practice
- 2) Risk that the Council may not have suitable processes and procedures in place to calculate local council tax support
- 3) Risk that the effect of the change to Universal Credit on the service may not have been fully taken into account
- 4) Risk that the assessment of benefit and council tax support claims may not be accurate, timely or subject to quality checks
- 5) Risk that application data supplied by claimants may not be fully evidenced, leading to a higher potential for fraud
- 6) Risk that complete audit trails may not be retained to evidence the Council’s assessment decisions
- 7) Risk that council tax support and benefits discounts/payments may not be correctly accounted for
- 8) Risk that fraud and corruption may be undetected
- 9) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised
- 10) Risk that risk assessments may not be undertaken and risks not adequately managed

Audit testing results indicated that controls were fully met in nine of the aspects examined, whilst one was partially met. (Risk 8)

The opinion of the auditor was that the Council tax support and housing benefits framework was “good”. Additionally, compliance with the framework was “good”. This means that a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. It also means that the framework of controls is substantially being complied with and the risk management process is considered to be good. Only minor errors or omission were identified.

One recommendation was agreed with management to address the area where controls were partially met. This relates to risk 8.

- That DBC Leavers details should be provided to the Control Team on a timely basis in order to enable them to delete leavers’ access to Academy, after their leave date.

Members will be advised of the progress in implementing this recommendation in due course.

#### **Review of Cashiers 2013/14**

**Issued: 4 February 2014**

**Opinion:** Control Framework: Good  
Effectiveness of Framework: Good

This review was not part of the planned programme of reviews agreed by this Committee. It is an additional review requested by management, as a proactive stance to gain assurance that the arrangements for the receipt of cash payments and the handling of petty cash expenditure continues to be robust and fit for purpose. To this effect the review focused on the security of cash, arrangements for petty cash and the documentary evidence to support transactions.

The following key risks and controls were examined as part of the review;

- 1) Risk that income may not be adequately protected
- 2) Risk that precautions may not be taken to prevent or reduce losses to the organisation
- 3) Risk that there may not be sufficient documentary evidence to support transactions

Audit testing results indicated that:

- In relation to the Control Framework, controls were fully met for all three of the risks examined.
- In relation to the effectiveness of the framework, controls were fully met all three of the risks examined.

The opinion of the auditor was that the control framework was “good”. This meant that a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. The effectiveness of the control framework was also “good”.

Two recommendations were agreed with Management to enhance existing controls in relation to

- the possible reduction of the cash float
- and minor amendments to the system used to record documentary evidence to support transactions

Members will be advised of the progress in implementing these recommendations in due course.

### **Review of Treasury Management 2013/14**

**Issued 14 February 2014**

**Opinion:** Control Framework – Good (Opinion from previous year ‘Good’)  
Compliance with Framework – Good (Opinion from previous year ‘Good’)

The purpose of this review is to provide assurance regarding the effectiveness of the treasury management system in meeting its service objectives.

To this effect, the following key risks and controls were examined;

- 1) Risk that the Council may not comply with relevant legislation, policies or good practice
- 2) Risk that there may be insufficient documentary evidence to support transactions and investment terms
- 3) Risk that the organisation’s financial and cash flow position may not be regularly assessed or monitored
- 4) Risk that surplus funds may not be invested promptly
- 5) Risk that investment transactions may not be appropriate, legitimate, correctly authorised or in accordance with investment policy
- 6) Risk that fraud and corruption may be undetected
- 7) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised
- 8) Risk that risk assessments may not be undertaken and risks not adequately managed

Audit testing results indicated that controls were fully met in all aspects examined.

The opinion of the auditor was that Treasury Management framework was “good”. Additionally, the compliance with the framework was “good”. This meant that a high level

of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There is evidence that the framework of controls is substantially being complied with and the risk management process is considered to be good. Only minor errors or omissions have been identified.

No recommendations were proposed, as it was felt that the systems was sufficiently robust and that any additional actions would not be cost effective or justifiable on grounds of value for money.

**Review of Creditors 2013/14**

**Issued: 18 February 2014**

**Opinion:** Control Framework: Good  
Effectiveness of Framework: Good

The purpose of the review was to provide an assurance regarding the effectiveness of the creditors system regarding fitness for purpose and compliance with Council procedures.

To this effect, the following key risks and controls were examined;

- 1) Risk that the Council may not comply with relevant legislation, organisational policy and good practice.
- 2) Risk There may be insufficient documentation to support the purchasing of goods and services and for the receipting of goods and services
- 3) Risk that Invoices may not be processed and paid in accordance with payment terms
- 4) Risk that the creditor control account does not balance
- 5) Risk that fraud and corruption may be undetected
- 6) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised
- 7) Risk that risk assessments may not be adequately undertaken and risks not adequately managed

Audit testing results indicated that:

- In relation to the Control Framework, controls were fully met for six of the risks examined, while one (risk 1) was partially met.
- In relation to the effectiveness of the framework, controls were fully met in six of the risks examined, while one (risk 3) was partially met.

The opinion of the auditor was that the control framework was “good”. This meant that a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. The effectiveness of the control framework was also “good”.

Two recommendations were agreed with Management to address the area where controls were partially met. These relate to risks 1 and 3.

- The Finance Officer should review all creditor procedures on a regular basis (at least annually) with a date recorded on the documents as to when they were last reviewed, even if no changes are made.
- Consideration must be given to reviewing the procedure for leavers, to ensure that either their mail account is cancelled when they leave, or an out of office be installed, and a suitable diversion to a responsible officer is put in place, to ensure that the appropriate action is taken timely, in order to meet statutory payment deadlines. (It should be noted however, that the Council is currently achieving 99% of invoices paid within their credit terms)

Members will be advised of the progress in implementing these recommendations in due course.

#### **Review of Contract Management Arrangements 2013/14 Issued: 18 February 2014**

**Opinion:** Control Framework – Good (Opinion from previous year ‘Satisfactory’)  
Compliance with Framework – Good (Opinion from previous year ‘Satisfactory’)

The purpose of this review was to provide assurance regarding the effectiveness of the Council’s contracting arrangements. To this effect a selection of contracts entered into over the last 12 to 18 months were reviewed for compliance. The review also examined whether there are robust arrangements in place to manage contract performance and delivery.

To this effect, the following key risks and controls were examined;

- 1) Risk that the Council may not comply with relevant legislation, policies or good practice
- 2) Risk that contracts may not be delivered on time, within budget or of acceptable quality
- 3) Risk that contract deliverables may not be achieved, or may not meet the perceived needs of the Council
- 4) Risk that the Council may not be able to demonstrate its own or suppliers obligations regarding the requirements of relevant agreements



- 5) Risk that fraud and corruption may be undetected
- 6) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised
- 7) Risk that risk assessments may not be undertaken and risks not adequately managed

Audit testing results indicated that:

- In relation to the Control Framework, controls were fully met for six of the risks examined, while one (risk 3) was partially met.
- In relation to the effectiveness of the framework, controls were fully met in six of the risks examined, while one (risk 2) was partially met.

The opinion of the auditor was that the Contract Management framework was “good”. Additionally, the compliance with the framework was “good”. This meant that a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There is evidence that the framework of controls is substantially being complied with and the risk management process is considered to be good. Only minor errors or omissions have been identified.

One recommendation was agreed with Management to address the areas where controls were partially met. These relate to risks 2 and 3.

- The Principal Legal Executive should request the appropriate officers place the standard clauses on the Procurement internet page. Review of the Contracts Procedure Rules should be a joint project between Legal Services and the Audit & Risk team, to provide input from both areas of expertise into the revised Procedure Rules.

Members will be advised of the progress in implementing these recommendations in due course.

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**DEFINITIONS OF AUDIT OPINIONS**

<b>Opinion</b>	<b>Framework</b>	<b>Effectiveness(Implementation)</b>
<b>Excellent</b>	... innovative frameworks are in place, which demonstrate efficiencies and excellent value for money, whilst ensuring the achievement of service objectives, good corporate governance and high level of protection for the council against foreseeable risks.	... there is full compliance with the framework of controls and the risk management process is considered to be fully effective. There is evidence of notable practice and no areas of concern were identified.
Minimum requirement	All controls are in place	All controls are fully implemented
<b>Good</b>	... a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks.	... the framework of controls is substantially being complied with and risk management process is considered to be good. Only minor errors or omissions identified
Minimum requirement	All controls are in place	51% or above of risks examined are low and the remainder are medium. Limited room for further development
<b>Satisfactory</b>	... controls exist to enable the achievement of service objectives, obtain good corporate governance and mitigate against significant foreseeable risks.	... occasional instances of failure to comply with the control process were identified and opportunities still exist to mitigate further against potential risks.
Minimum requirement	Control requirements are substantially met	Up to 50% of risks examined are medium or low. Opportunities for further developments exists requiring constructive proposals for management consideration
<b>Un-satisfactory</b>	... limited controls are in place but there are gaps in the process, which leave the service exposed to foreseeable risks. Hence further development in framework is needed to make the system effective.	... there is an urgent need to introduce additional controls and improve compliance with existing controls, to reduce the risk exposure to the Council.
Minimum	Control requirements are	Testing results identified one or more high

requirement	patchy and unreliable	risk
<b>Un-acceptable</b>	... controls are considered to be inadequate or non-existent with the absence of at least one critical control mechanism. An urgent need exists to introduce appropriate level of controls without delay.	... failure to urgently improve controls leaves the Council exposed to significant risk, which could lead to major financial loss, embarrassment, or failure to achieve key service objectives.  Note: compliance testing in this circumstance may not add value. However, there would be some value in conducting weakness testing in some circumstances to determine the level of “threat” or “loss” to the Council. Hence an opinion for compliance may not be given where the framework is “unacceptable”
Minimum requirement	No evidence of controls exist	Testing results identified one or more very high risk

## **RISK MANAGEMENT STRATEGY**

### **Audit Committee – 18 March 2014**

Report of                      Chief Finance Officer

Status:                         For Decision

Also considered by:        Cabinet – 10 April 2014

Key Decision:                No

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**This report supports the Key Aim of** effective deliver of the Council's Vision and Promises

**Portfolio Holder**        Cllr. Ramsay

**Contact Officer(s)**     Bami Cole Ext. 7236

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#### **Recommendation to Audit Committee:**

Recommend that Cabinet adopt the Council's Risk Management Strategy

#### **Recommendation to Cabinet:**

Cabinet adopt the Council Risk Management Strategy

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**Reason for recommendation:** Adoption of the Council's Risk Management Strategy will ensure that the Council adopts appropriate objectives for the management of risk that enables the Council to deliver on its Vision and Promises as set out in its Corporate Plan.

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#### **Introduction and Background**

- 1     It is a requirement of the Audit Committee's Terms of Reference to maintain an overview of the effective development and operation of risk management in the Council.
- 2     At the Committee's meeting in January 2014 it considered and approved the revised Risk Management Policy Statement for the Council. This report provides Members with the opportunity to review and comment on the Council's Risk Management Strategy which provides additional information on how the commitments set out in the policy statement will be delivered.

#### **Risk Management Strategy**

- 3     Provided as Appendix A to this report is the Council's Draft Risk Management Strategy. The Strategy has been updated to reflect that the introduction of the Council's new Corporate Plan and to ensure that all risk management activity is undertaken to help the Council achieve the Vision and Promises it sets out.

## Agenda Item 7

- 4 The Strategy sets out how the Council will approach risk management, the outcomes it expects to achieve and the practice it will adopt to ensure effective governance of the Council's risk management arrangements.
- 5 Members are asked to consider the Strategy and provide any suggestions for improvements or changes that can be incorporated in to it before Cabinet are requested to adopt the Council's Risk Management Strategy at a future meeting.

### **Other Options Considered and/or Rejected**

None.

### **Key Implications**

#### Financial

An effective risk management strategy reduces the risk of financial loss and better allows the Council to maximise the financial benefit of running efficient services, taking full advantage of opportunities and delivering effective projects.

#### Legal Implications and Risk Assessment Statement.

A robust risk management framework enhances the Council's ability to minimise waste and improve efficiency and to deliver better services and outcomes for the community.

#### Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

### **Conclusions**

The Council's revised Risk Management Strategy sets out the Council's approach to ensure that all risk management activity is undertaken to help the council achieve the vision and promises it sets out in its Corporate Plan. Members are asked to review the

Risk Management Strategy and suggest any amendments before the Strategy is considered by Cabinet for adoption.

**Appendices** Appendix A – Risk Management Strategy

**Background Papers:** Risk Management Policy Statement

<http://cds.sevenoaks.gov.uk/documents/s15122/Risk%20Management%20Update%20-%20Policy%20Statement%20-%20Appendix%20A.pdf>

**Adrian Rowbotham**  
**Chief Finance Officer**

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# Sevenoaks District Council

# Risk Management Strategy



## Risk Management Strategy

This strategy sets out clear objectives for the management of risk at Sevenoaks District Council. It reflects the Council Vision and Promises as set out in the Corporate Plan and is supported by a robust risk management framework and guidance for officers.

The Strategy is reviewed annually by the Council's Officer Risk Management Group and updated as necessary to reflect developments in best practice risk management. Where updates are required the Risk Management Strategy is reported to Members for approval.

**We are always interested in ways to improve our approach to Risk Management and welcome your suggestions.**

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### Publication details

#### **Purpose of the Risk Management Strategy**

To ensure that the Council adopts appropriate objectives for the management of risk that enables the Council to deliver on its Vision and Promises as set out in its Corporate Plan.

#### **Publication date**

January 2014

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## 1. Background & Information

### Introduction

Risk is defined as an uncertain event or set of events which, should it occur, will have an effect on the Council's ability to achieve the Vision and Promises it has set out in its Corporate Plan.

The outcome of any such event occurring could have a positive effect on the Council delivering on its promises and would be considered an opportunity or could have a negative effect and be considered a threat.

Risk Management is the process that is applied to monitoring the Council's exposure to risk and the actions taken to identify, assess, evaluate and control that risk.

The purpose of risk management is not to eliminate risks completely, but to effectively manage the uncertainties that may apply in all areas of the Council's business. By managing risk we are able to ensure that threats do not lead to negative consequences and opportunities are able to be realised.

This Risk Management Strategy sets out the Council's objectives to achieve this and provides a structured framework to be applied by all managers within the Council, and in doing so will:

- Provide the basis for a comprehensive, simplified and standardised framework which will integrate Risk Management into the culture of the Organisation;
- Raise awareness of the need for Risk Management by all those connected with the delivery of the Council's Vision and Promises, including Partners;
- Support the Council in anticipating and responding to changes in social, environmental and legislative conditions;

- Help to minimise injury, damage, loss and inconvenience to residents, staff, service users and assets arising from or connected with the delivery of services;
- Support the introduction of a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice; and
- Support the Council in minimising the cost of risk and risk implementation plans.

### Council Vision & Promises

All risk management activity is undertaken to help the Council achieve its vision and promises. The vision of the District Council can be summarised as:

**"Pride in the District of Sevenoaks by working with the Community as a whole, to sustain and develop a fair, safe and thriving local economy."**

The Council's promises are to:

- Provide value for money;
- Work in partnership to keep the District of Sevenoaks safe;
- Continue to collect rubbish efficiently and effectively;
- Protect the Green Belt; and
- Support and develop the local economy.

The principal aim of this Risk Management Strategy is to set a clear framework for best practice risk management that enables the Council to achieve its promises and deliver its vision for the District.

# 1. Background & Information

## Risk Management at Sevenoaks District Council

It is recognised that risk is present in all the Council’s activities. The Council’s approach to risk management is to be proportionate and to ensure that risk to service delivery is adequately managed, without being unduly prescriptive.

The risks that the Council faces are becoming more complex and substantial. These are influenced by a number of factors, including:

- the rate of change in modern society;
- increasing complexity of regulations;
- changes in technology;
- increased level of expectations from customers and stakeholders,
- increasingly demanding austerity targets; and
- increased involvement with other organisations through partnerships, collaboration or shared services.

All of this means that the Council is faced with increased uncertainty and to be successful in delivering its promises requires a structured approach to managing risk.

To this effect the Council’s risk management framework is designed to be robust, consistent, transparent and easy to understand and is reflective of the size and nature of the Council’s operations.

It empowers managers to make best use of their skills and abilities to deliver services more effectively, rather than inhibiting managers from taking practical, positive, steps to deliver the Council’s vision and priorities.

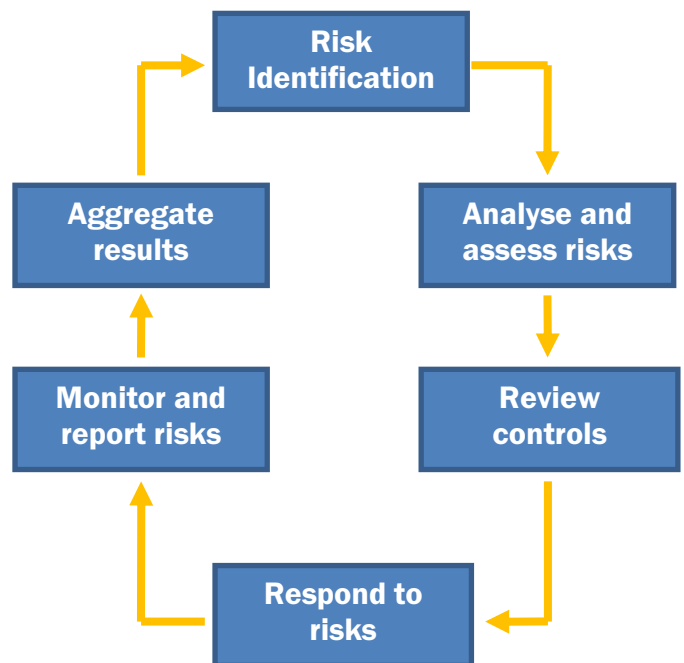
## Risk Management process

It is the Council’s strategic aim that risk management principles are applied at every level of its business or service delivery; at strategic, operational and project level.

Strategic Risks are identified by considering the threats and opportunities that impact the Council as a whole in delivering each of the promises it has set out within the Corporate Plan.

In delivering the Council’s strategic aims through its vision and promises the details set out in the Corporate Plan are delegated to individual service areas and translated into operational service plans. It is the responsibility of each service manager to assess the opportunities and threats to the achievement of their service plan objectives and to provide the Council with a comprehensive view of the operational risks it faces.

The Council’s approach to risk management will follow the best practice, six step approach set out in the following diagram.



## 2. Aims and Objectives

The Council's Risk Management Strategy is to enhance Members and Officers ability to deliver on the Council's Vision and Promises in the most effective way, by providing an enabling tool to anticipate, assess and manage the uncertainties, which might impact on the effective delivery of the Council's Vision and Promises.

To achieve this strategy the following aims and objectives will be delivered:

- Ensure a clear policy statement is in place which clearly communicates the Council's approach to risk management;
- Establish effective governance arrangements, clear accountability, roles and reporting lines across all services;
- Develop standardised toolkits, procedures and guidelines for use across the Council
- Provide for effective risk assessment in all decision making processes;
- Develop risk management skills and expertise to enable effective delivery of the Council's vision and promises;
- Ensure sufficient resources are allocated to ensure effective risk management;
- Ensure appropriate consideration of risk within all reviews of business strategy, the Corporate and Community Plans, service plans and subsequent improvement plans;
- To ensure all partners are aware of the Council's expectations on risk as set out in its Risk Management Policy Statement; and

- Assess the performance and effectiveness of risk management activities.

### Risk Appetite

It is recognised that engaging in business activities necessitates risk; and that all risk cannot be eliminated.

To this effect, the Council accepts that risk would be present in everyday activity and the emphasis is on the effective management of risk to enable affective delivery of the Council's Vision and Promises.

The 'risk appetite' is the term used to express the level of risk that the Council accepts or tolerates to enable the achievement of its vision and promises.

### How much risk is acceptable?

The Councils expects that as a minimum, wherever there is clear mandatory legal, statutory or regulatory requirement, that these should be met. This standard applies to all service areas and all the Council's activities.

Threats that are assessed as a high risk to the Council should result in action being taken to dis-continue the activity or immediate steps should be taken to mitigate the risk.

Medium risks are within the Council's risk appetite if evidence exists that the threats are being adequately controlled.

### 3. Effective Practice & Outcomes

#### Effective practice

##### ■ Audit Committee

It is the responsibility of the Audit Committee to approve the Risk Management Policy Statement and advise Cabinet on the adoption of the Risk Management Strategy for the Council.

To support the Council in ensuring the commitments in the Policy Statement and Strategy are carried out effectively the Audit Committee review the Strategic Risk Register on an annual basis.

##### ■ Chief Executive

The Chief Executive assumes overall strategic responsibility for the Risk Management Framework, including regular review of the Risk Management Policy Statement and Strategy.

It is the responsibility of the Chief Executive to set the Council's risk appetite and ensure service areas have adequate resources to implement effective risk management.

Importantly the Chief Executive should support the Executive on risk management and risk related matters.

##### ■ Chief Officers

Chief Officers assume the lead role for Strategic Risks affecting their own service areas.

It is the responsibility of Chief Officers to agree service plan objectives with Heads of Service and Service Managers for services within their remit and for ensuring risk management processes are fully enacted within service areas, and that key risks are monitored.

##### ■ Audit, Risk & Anti-Fraud Manager

It is the responsibility of the Audit Manager to develop and maintain the Risk Management Policy Statement and Strategy, and the tools and techniques used to implement them in consultation with the Officers Risk Management Group and the Strategic Management Team.

The Audit Manager co-ordinates the implementation of the Risk Management Framework and reports on risk management to the Audit Committee and Cabinet, including the highlighting of significant existing or emerging risks.

In addition the Audit Manager provides guidance, training and advice to officers on the management of risk and helps to promote and share best practice across the organisation.

##### ■ Heads of Service & Service Managers

Heads of Service and Service Managers conduct risk assessments for the objectives set out for their service areas, using the Council's framework as set out in this strategy.

They engage with the risk management process and reporting procedures and monitor the progress of risk action plans.

##### ■ All Staff

All Staff must ensure they are familiar with the Risk Management strategy, process and procedures and with the support of their Manager ensure that controls and procedures in place for operational service delivery are implemented on a day-to-day basis.

## 3. Effective Practice & Outcomes

(continued)

### Outcomes

By following the Strategy set out and ensuring that risk management is properly applied across the Council, will deliver the following outcomes:

- Increased focus on what needs to be done (or not done) to achieve service objectives and the Council's Promises;
- Help to remove surprises and minimise uncertainties;
- Assist in making Corporate Governance more effective;
- Enable things to be done right first time, by improving business intelligence;
- Help provide a basis for effective resource allocation;
- Enhance managers ability to justify action taken or proposed;
- Enables projects to be managed more effectively;
- Enables a better quality service – more satisfied customers;
- Enables the identification of and realisation of available opportunities;
- Helps protect the Council's reputation; and
- Assist in meeting legal and regulatory requirements.



## 4. Additional Information

### Links to plans and strategies

The Council's Risk Management Strategy is aligned to the commitments made in a number of other Council plans and strategies. These include the:

- Corporate Plan;
- Financial Strategy;
- Procurement Strategy;
- IT Strategy; and
- Human Resources Strategy.

### Guidance for officers

Further risk management guidance is available on the Council's Intranet. This information includes:

- Risk Management Policy Statement;
- Risk Management Framework;
- 'Risk on a page' guidance note and
- Best practice tools and advice.

# Sevenoaks District Council

## Risk Management Strategy

If you have any comments about this document or require further copies, please contact:

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January 2014



**Audit Committee 2013/14 – Work Plan**

	18 March 2014	June 2014	September 2014	January 2015
<b>Internal Audit</b> (Irregularities to be reported confidentially as & when necessary)	Internal Audit 2013/14 – 3 <sup>rd</sup> Progress Report Internal Audit Plan New Audit Standards – Full Report	Internal Audit 2013/14 – Annual Report Review of effectiveness of Internal Audit	Internal Audit 2014/15 – 1 <sup>st</sup> Progress Report Annual Governance Statement	
<b>Risk Management</b>	Risk Management Strategy  Strategic Risk Register	Risk Management Plan		
<b>Accounts and External Audit</b>		External Audit - Annual Audit Plan	Statement of Accounts 2012/13	
<b>Other</b>		Annual Fraud report  Annual Governance Statement  CIL		

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