

22 September 2022 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 12.09.22

The meeting will also be livestreamed to YouTube here

https://www.youtube.com/channel/UCLT1f_F50fvTzxjZk6Zqn6g.



Audit Committee

Membership:

Chairman, Cllr. McGarvey; Vice-Chairman, Cllr. Morris

District Councillors

Cllrs. Barnes, Brown, Kitchener, London, Osborne-Jackson, Pender and Williamson

Non-Voting Co-opted Members

Mo Chughtai and Lynda McMullan

Agenda

There are no fire drills planned. If the fire alarm is activated, which is a continuous siren with a flashing red light, please leave the building immediately, following the fire exit signs.

	Pages	Contact
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting of the Audit Committee held on 14 July 2022, as a correct record.	(Pages 1 - 6)	
2. Declarations of Interest Any declarations of interest not already registered.		
3. Actions from Previous Meeting (if any)	(Pages 7 - 8)	
4. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations (if any)		
5. Audit Committee Member Development - Understanding Local Government Accounts	(Pages 9 - 12)	Alan Mitchell Tel: 01732227483
6. Members Allowance Scheme Monitoring	(Pages 13 - 26)	Martin Goodman Tel: 01732227245
7. Internal Audit Progress Report 2022/23	(Pages 27 - 40)	Jennifer Warrillow Tel: 01732227053

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|----|--------------------------------|-----------------|--|
| 8. | Strategic Risk Register | (Pages 41 - 76) | Jennifer Warrillow
Tel: 01732227053 |
| 9. | Work Plan | (Pages 77 - 78) | |

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.

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

AUDIT COMMITTEE

Minutes of the meeting held on 14 July 2022 commencing at 7.00 pm

Present: Cllr. McGarvey (Chairman)

Cllrs. London, Osborne-Jackson, and Pender

Mo Chughtai was also present.

Apologies for absence were received from Cllrs. Barnes, Brown, Kitchener, Williamson and Morris

An apology for absence was also received from Lynda McMullan.

Cllr. Dickins was also present via a virtual media platform which did not constitute attendance as recognised by the local government act 1972.

CHAIRMAN'S ANNOUNCEMENT

Following the appointment of two co-opted non-voting Members, Mo Chughtai was welcomed to the meeting and the Chairman introduced Members and Officers in attendance.

1. Minutes

Resolved: That the minutes of the meeting held on 29 March 2022 be agreed and signed by the Chairman as a correct record.

2. Declarations of Interest

There were none.

3. Actions from Previous Meeting

There were none.

4. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations

There were none.

5. Members Development Briefing - External Audit

The Chief Officer, Finance and Trading presented the report and the Committee welcomed Paul Cuttle from Grant Thornton who gave a [presentation](#) to Members.

Members took the opportunity to ask questions of clarification.

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Audit Committee - 14 July 2022

Resolved: That the training be noted.

6. External Audit - Auditors Annual Report

The Chief Officer, Finance and Trading introduced the report and Paul Cuttle, from the Council's External Auditors, Grant Thornton presented the report which detailed the Auditors Annual Report 2020/2021. The report focused on the council's value for money arrangements which raised no indications of potential significant weaknesses in any of the following three areas:

- Financial sustainability;
- Governance;
- Improving economy, efficiency and effectiveness.

Grant Thornton were unable to present the Audit findings report 2020/21 as indicated at appendix B of the report owing to an ongoing heavy workload. This would be brought to a future meeting of the Committee.

Members asked questions of clarification.

Resolved: That the external audit report from Grant Thornton be noted.

7. Statement of Accounts - Establishment of Member Working Group

The Head of Finance presented the report which outlined the plans for the Committee to set up a Member working group to review the 2021/22 draft Statement of Accounts.

Resolved: That

- a) a Member Working group, to review the 2021/22 draft Statement of Accounts with delegated authority to recommend changes to the draft whilst ensuring adherence to statutory regulations for the purposes of reporting back to the Audit Committee, be set up.
- b) membership of the working group be: Lynda McMullan, Cllrs. McGarvey, Osborne-Jackson and Pender with a date and time to be fixed and circulated by the Chairman following the meeting.

8. Counter Fraud and Compliance Report 2021/22

The Counter Fraud Manager presented the report which set out the work conducted by the Counter Fraud & Compliance team for the year ending 31 March 2022. The Team undertook the lead for payment assurance and claim-checking in regards to the Government's Covid-19 Business Support Grants. The Team ran successful counter-fraud exercises which resulted in an increase to business rates revenue and Council Tax revenue.

Plans for 2022/23 included increasing the amount of joint working investigations conducted with the Department for Work & Pensions and expanding the use of the new data-matching tool for Council Tax Single Person Discounts. The Counter Fraud & Compliance Team would be heavily involved in the project to distribute the new £150 Council Tax Rebate payment and retrospective re-conciliation/evidence validation exercise for the Business Support grants.

In response to questions it was confirmed that the Council Tax rebate required the Counter Fraud and Compliance Team to verify applications for residents that did not pay Council Tax through direct debit. Members were advised that the team had contacted applicants and distributed literature to residents which categorically stated that the Council would never ask for someone's bank details over the telephone. The application system was online, but arrangements had been set-up for residents without access to the internet.

In response to further questions the Counter Fraud Manager confirmed that the team could use credit reference data to data match applications on a mass-scale which would help to alleviate demand on the team.

Members thanked the Counter Fraud Manager and the team for all their hard work.

Resolved: That the work of the Counter Fraud and Compliance Team carried out during the year end 31 March 2022 be noted.

9. Internal Audit Annual Report and Annual Opinion 2021/22

The Audit Manager presented the report which set out the Internal Audit Annual Opinion on the effectiveness of the Council's internal control, governance and risk management arrangements including a summary of the work taken into consideration when forming the Opinion, which should be used to inform Members' scrutiny of the Annual Governance Statement.

The overall conclusion was that there was 'reasonable' assurance over systems of risk management, governance and control. This meant that whilst controls were generally working well, there were some areas of weakness which, if not addressed, could impact on the Council's achievement of objectives. Key themes were set out in the report.

There were 3 limited assurance rated audits reported during the year. The findings as a result of these audits had been addressed and the Audit Manager advised Members that they would not have an impact on the overall risk and control frameworks.

Members discussed the report and the internal audit process.

Members focused on the Corporate Credit Cards audit and expressed concern over the 14% of company credit card transactions that were viewed which did not produce invoices. Members discussed the financial risk over company credit cards. Members also discussed record keeping of section 106 funding.

Agenda Item 1

Audit Committee - 14 July 2022

Action 1: For the Chief Officer, Finance and Trading to circulate the audit report on company credit cards to the Committee.

Action 2: For the Audit Manager to update the Committee on the progress of the transfer of records for the section 106 funding.

Resolved: That the report be noted.

10. Annual Governance Statement 2021/22

The Chief Officer Finance & Trading presented the report. The Annual Governance Statement (AGS) was an important corporate document which explained the Council's governance arrangements and the controls it employed to manage the risk or failure to achieve strategic objectives.

The Council was responsible for ensuring that its business was conducted in accordance with the law, proper standards and that public money was safeguarded and properly accounted for during 2021/22. The document was owned by all Senior Officers and Members of the Council. The Chief Executive, Chief Officers and Managers were involved in the process and completed a detailed questionnaire to raise any issues that could be included in the AGS.

There was one significant governance issue raised in 2020/21 that required action in 2021/2022, unsurprisingly that related to the impact of the Covid-19 pandemic. No issues had been raised for 2021/22 therefore, the AGS confirmed that the Council had sound systems of internal control and good governance arrangements in place in 2021/22.

Resolved: that the Annual Governance Statement 2021/22 be agreed for signature by the Leader of the Council.

11. Audit Committee Terms of Reference

The Chief Officer Finance & Trading presented the report on the Terms of Reference for the Audit Committee agreed at the Annual Council meeting on 10 May 2022.

Resolved: That

a) the Audit Committee Terms of Reference be noted; and

b) the Committee provided a view that adequate consideration had been given to all core areas and the Committee was fulfilling its terms of reference.

12. Review of the Effectiveness of the Audit Committee 2021/22

The Chief Officer, Finance and Trading presented the report that highlighted the achievements of the Audit Committee in 2021/22.

Audit Committee - 14 July 2022

The process incorporated the recommended self-assessment checklist from the Chartered Institute of Public Finance and Accountancy (CIPFA.) The checklist had been completed drawing from the work of the Committee in relation to its terms of reference, using the evidence available from the work of the Committee during 2021/22.

Resolved: That the Self-Assessment Review of the Effectiveness of the Audit Committee as set out in Appendix A of the report for 2021/22, be approved.

13. Audit Committee Report to Council

The Chairman presented the report for Council that updated Members on the progress of the Audit Committee. Members were advised that, although the report was draft, the Chairman could verbally amend the report at Full Council if deemed necessary.

14. Work Plan

The work plan was noted with the following additions:

22 September 2022

- Grant Thornton External Audit Findings report 2020/21

24 January 2023

- Statement of Accounts 2021/22

THE MEETING WAS CONCLUDED AT 8.41 PM

CHAIRMAN

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Audit Committee Action sheet from the meeting held on 14 July 2022

Action	By	Status
Action 1: For the Chief Officer, Finance and Trading to circulate the audit report on company credit cards to the Committee.	Adrian Rowbotham Tel: 01732227153	Members were updated via email.
Action 2: For the Audit Manager to update the Committee on the progress of the transfer of records for the section 106 funding.	Jennifer Warrillow Tel: 01732227053	Members were updated via email.

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MEMBER DEVELOPMENT - UNDERSTANDING LOCAL GOVERNMENT ACCOUNTS

Audit Committee - 22 September 2022

<p>Report of: Deputy Chief Executive and Chief Officer - Finance and Trading</p> <p>Status: For Consideration</p> <p>Key Decision: No</p> <p>Portfolio Holder: Cllr. Matthew Dickins</p> <p>Contact Officer: Adrian Rowbotham, Ext. 7153</p> <p>Recommendation to Audit Committee:</p> <p>The member development be noted.</p>
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Introduction and Background

- 1 The Committee regularly reviews the development needs of its Members and the following training has been provided since the current Audit Committee was formed in May 2019:

Committee Date	Training Provided
17 September 2019	Public Sector Internal Audit Standards (PSIAS)
28 January 2020	Risk Management
16 July 2020	Understanding Local Government Accounts
30 March 2021	<ul style="list-style-type: none"> • Organisational Knowledge • Audit Committee Role and Function • Governance (all three subjects were provided in one session by Martin Goodman, Head of Legal and Democratic Services)
15 July 2021	Counter Fraud and Whistle Blowing
23 September 2021	Internal Audit and the Role of the Audit Committee
29 March 2022	Risk Management
14 July 2022	External Audit

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Audit Committee Member Development Programme

- 2 In November 2020 Members were asked for their views as to their current knowledge levels by completing a questionnaire based on 'Audit Committee - knowledge and skills framework' included in the CIPFA (Chartered Institute of Public Finance and Accountancy) document 'Audit Committees - Practical Guidance for Local Authorities and Police'.
- 3 Based on the questionnaire responses and the work plan of reports due to be presented at each committee, a programme was devised with the remaining parts listed below:

Committee Date	Training Scheduled
22 September 2022	<ul style="list-style-type: none">• Understanding Local Government Accounts

- 4 Each member development session will last for up to 20 minutes and be presented at the start of an Audit Committee.

Key Implications

Financial

There are no financial implications.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Appendices

None

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading

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MEMBERS' ALLOWANCE SCHEME MONITORING 2021/2022

Audit Committee - 22 September 2022

Report of: Monitoring Officer

Status: For Consideration

Key Decision: No

This reports support the Key Aim of: The effective management of Council resources

Portfolio Holder: Cllr. Matthew Dickins

Contact Officer: Martin Goodman, ext. 7245

Recommendation to Audit Committee: That Members note the contents of this report.

Reason for recommendation: This report is further to the Committee's monitoring of the Members' Allowance Scheme' and sets out payments which have been made.

Introduction and Background

- 1 Within the terms of reference of the Audit Committee, the committee is required 'to monitor the implementation of the Members' Allowance Scheme'.
- 2 The Governance Committee is required 'to receive the recommendation of the Joint Independent Remuneration Panel and make recommendations for changing the Members' Allowance Scheme to the Council and, if required, to the Joint Independent Remuneration Panel'. This process is expected to begin later in the Council year.

Members' Allowance Scheme - 2021/22

- 3 Members' allowances paid during 2021/22 were published during the summer and can be viewed, alongside past years' information, here: https://www.sevenoaks.gov.uk/downloads/download/32/councillor_allowance_and_expense_payments
- 4 Basic allowances were paid to all Members and two asked not to receive the full amount.
- 5 Travel expenses were claimed by 18 out of 54 Members (33%). This figure is consistent with previous numbers of claimants.

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- 6 The IT allowance was consolidated with the basic allowance from May 2019.
- 7 Appendix G from the Constitution of Sevenoaks District Council containing the Members' Allowance Scheme (2021/22) is attached as an Appendix.
- 8 All Members' expenses claims are checked by Democratic Services. Under the Constitution it is for the Chief Executive or the Monitoring Officer to decide any question of interpretation.

Key Implications

Financial

The cost of the Members' Allowance Scheme is contained within the approved budget.

Legal Implications and Risk Assessment Statement

None.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the Council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

This report is for noting the operation of the scheme in the year 2021/22.

Appendices

Appendix G from the Constitution of Sevenoaks District Council.

Background Papers

None.

Martin Goodman
Monitoring Officer

APPENDIX G: Members' Allowances Scheme (2021/22)

1. INTRODUCTION

The Members' Allowances Scheme is made under the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 (the 2003 Regulations) and other Regulations which may come into force from time to time.

In making this Scheme, the Council must have regard to the recommendations made by the Joint Independent Remuneration Panel.

This Scheme has effect for the financial year appertaining to the year it is introduced and continues until amended or revised.

This Scheme may be amended at any time having regard to the recommendations of the Joint Independent Remuneration Panel.

For the avoidance of doubt, where the only change to this Scheme is effected by annual updating of allowances, this Scheme shall be deemed not to have been amended.

2. STATUTORY MEMBERS' ALLOWANCES SCHEME

2.1 Basic Allowance

Every District Council Member shall be paid an annual basic allowance as set out in Schedule 1 below. It will be paid in instalments of one-twelfth on the 15th of each month, with minor adjustments where necessary to ensure that the total annual sum is correct. The allowance is subject to annual updating - see paragraph 2.8 below.

The basic allowance covers time incurred by a District Council Member in carrying out his/her ordinary duties for the Council. However, it excludes travel and subsistence allowances for approved duties which are referred to separately below. Furthermore, the Council makes available to Members a certain amount of equipment over and above the basic allowance. Again, this is referred to separately below.

2.2 Special Responsibility Allowances

An annual special responsibility allowance (SRA) will be paid to certain Members. SRAs will be paid in monthly instalments. They are not payable when a Member temporarily steps into another's role (say, when the Vice-Chairman chairs a meeting). The special responsibility allowances are set out in Schedule 1 below.

2.3 Child and Dependant Carer's Allowance

Members may claim an allowance in respect of expenses necessarily incurred in relation to the provision of care for their children and other dependants while

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carrying out approved duties. Approved duties are listed in a separate section below. Claims should be made monthly in arrears, by attaching the receipt(s) to the submitted Member's claim form and entering the amount claimed on the form. Claims will not be paid without documented receipts.

The allowance to be paid per dependent child per hour during normal daytime working hours (8am to 6pm on Mondays to Fridays) and a single maximum payment per hour as set in Schedule 1 for child care arranged outside normal working hours, accompanied by an official receipt.

The dependent adults carer's allowance will be paid up to the figure in Schedule 1 per hour for the employment of a replacement carer for whom the Member is normally a full time carer. This will also apply where the Member has to arrange care for a disabled dependent child. In either case, the definition of dependant being as set out in the Employment Rights Act 1996 (s.57A), such claims to be supported by a doctor's letter confirming that the dependant is in need of constant or specialist care/supervision; (NB Carer's allowance and the allowance payable in respect of a disabled dependent child, is not payable in respect of the same child for the same period.).

2.4 Pensionable Allowances

Statutory regulations allow local authorities to make certain allowances pensionable, but only if so recommended by their independent remuneration panel. At Sevenoaks it has been agreed that the option to allow Members to participate in the Local Government Pension Scheme should not be introduced at this time.

2.5 Renunciation of Allowances

A Member may choose to forego all or part of his/her entitlement to basic or special responsibility allowances under this scheme. If this is the case, he/she should give notice of this in writing to the Chief Executive or Monitoring Officer, stating what element of his/her allowance entitlement he/she does not wish to claim. The notice should also state whether this is for the current municipal year or the remainder of the Member's term of office - if the notice does not specify a time period then it will be assumed to mean the remainder of the term of office.

A Member not wishing to claim the expenses described in section 3 below need not give notice in writing - he/she simply does not submit any expenses claim forms.

2.6 Publicising Allowances and Expenses Paid

As soon as reasonably practicable after determining a Scheme of Allowances, a copy of the Scheme will be made available for inspection and publication will take place in accordance with the 2003 Regulations.

As soon as practicable after 1st April each year arrangements will be made for the publication of the total paid to each Member in each category of allowance specified in this Scheme, in the preceding year.

2.7 Suspension of Allowances

Any Member/Co-optee who is suspended or partially suspended from his/her responsibilities or duties as a Member of the Council in accordance with legislation or regulations that may come into force from time to time may have his/her allowances withdrawn for the period of any suspension.

Where any payment allowance under this Scheme has already been made in respect of any period during which a Member/Co-optee is suspended or partially suspended or ceases to be a Member or Co-optee of the Council or is in any other way not entitled to receive the allowance in respect of that period the Council may require that such allowance or part of as relates to any such period be repaid to the Council.

2.8 Annual Updating

Members' allowances except for travelling expenses are updated annually in line with the National Joint Council for Local Government Services pay award.

3. **PAYMENT OF EXPENSES**

3.1 Approved Duties

Members/Co-optee members may claim reimbursement of travel, subsistence, Child and Dependent Carer's Allowance and conference expenses incurred whilst undertaking an approved duty. No expenses claimed more than three months after they were incurred will be paid.

Attendance at any of the following is an approved duty:

- (a) The attendance at a meeting of the District Council or of any committee or sub-committee or Working Group of the District Council, or of any body to which the Council make appointments or nominations, or any committee or sub-committee of such a body (If the outside organisation will pay travel and/or subsistence costs, then the Member should claim against that organisation and cannot claim from the District Council.);
- (b) The attendance at any meeting, the holding of which is authorised by the District Council, or a committee or sub-committee of the District Council, or a joint committee of the District Council and one or more local authority within the meaning of section 279(1) of the 1972 Act, or a sub-committee of such a joint committee provided that: -
 - (i) where the authority is divided into two or more political groups, it is a meeting to which members of at least two groups have been invited, or
 - (ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
- (c) the attendance at a meeting of any association of authorities of which the District Council is a member

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- (d) the attendance at a meeting of the executive (Cabinet) or a meeting of any of its committees;
- (e) the attendance at pre-meeting briefings by Chairmen and Vice-Chairmen of Committees;
- (f) the performance of any duty in pursuance of any standing order made under section 135 of the 1972 Act requiring a Member or Members to be present while tender documents are being opened;
- (g) the performance of any duty in connection with the discharge of any function of the District Council by or under any enactment and empowering or requiring the District Council to inspect or authorise the inspection of premises (including site visits for planning matters); and
- (h) the attendance of any pre-arranged meetings with Officers relating to issues within the Members' responsibilities. This would encompass Portfolio Holder briefings etc. In the event of any question of interpretation, the Chief Executive, or, in his absence, the Monitoring Officer, will decide.
- (i) The attendance at meetings, training or other events where the Member is an official Council representative or requested to attend by the Leader, relevant Cabinet Member or Chief Officer.

Further Clarification of Approved Duties:

In-house training and development seminars including Members' Induction, Staff Induction and service-specific seminars

Conferences or seminars arranged by a Chief Officer.

Expenses will not be paid for attendance at national and regional bodies if the Member was not appointed to the organisation or event by the District Council.

Travel and subsistence allowances for co-opted and lay/expert members of committees and panels will be paid, at the same level as for elected Members.

Schedule 2 sets out tables of examples of what are approved duties. In specific cases not covered by this schedule Members should contact the Democratic Services Team. A decision will be made by the Chief Executive or the Monitoring Officer and the table updated accordingly

3.2 Travelling, Subsistence and other Expenses

Travelling Allowances

Travelling allowances are payable in accordance with the HMRC maximum tax free allowance from time to time:

Per mile up to and including 10,000 miles	45 pence
Over 10,000 miles	25 pence

Electric Vehicle Mileage is paid at HMRC rates, currently 5 pence per mile

Bicycles:

20 pence per mile tax free as per HMRC’s maximum tax free allowance for claims.

Motorcycles:

24 pence per mile tax free as per HMRC’s tax free allowance for claims.

Public Transport:

Authorised journeys taken using public transport should be reimbursed at the cost of standard travel.

Travelling allowances may be claimed by Members for attendance at meetings of the bodies or for the purposes listed in 3.1 above.

Car sharing is encouraged by the Council for duties involving more than one Member. Any claim should be made by the vehicle driver only.

Travel by taxi should only be used in exceptional circumstances and, if it is necessary, should involve more than one Member if possible.

3.3 Subsistence Expenses and Council Refreshments

- A Member may claim reimbursement of subsistence costs incurred personally while on approved duties. The latter are described at a separate section below. In order to qualify for reimbursement:
- the Member must be away from his/her usual residence for a minimum of four hours (this time period applying only to the time spent in travel to and from, and attendance at, the approved duty outside the District)
- there must be no meal provided at the approved duty, either by the Council or any other organiser for the event
- claims will only be reimbursed for subsistence purchased in the close vicinity of a local event, or in the vicinity of, or whilst travelling to or from, an event more distant.
- the Member should attach a receipt to his/her expenses claim form to show that a meal was purchased (and the amount paid will be the amount incurred and shown on the receipt up to the maximum limit shown below).

The rates payable are set annually when the annual pay award is agreed. They are currently as set out in the table below.

Subsistence type	Details	Payment amount
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Lunch allowance	Covers the period from 12 noon to 2 p.m.	£9.86
Evening meal allowance	For a period of absence ending after 7 p.m.	£12.21
Absence overnight	To cover hotel and associated expenses - but note that, in these cases, the Council will book and pay for hotel accommodation directly (see 'conferences' at separate section below)	£79.82 (increased to a maximum of £91.04 in certain circumstances, e.g. for meetings in London and for LGA meetings)

If a meal is taken on a train, this is taken to relate to the subsistence allowance which it most closely equates to (i.e. lunch or evening). The above conditions still apply.

The Council may provide refreshments for 'approved duty' meetings which last over the lunchtime period or which start between 4.30 p.m. and 6 p.m.

The District Council requires that Members ensure that any overnight stay bookings for approved duties and conferences are made by Council Officers. The Council will then pay for the cost of the accommodation and breakfast. Lunch and evening meal costs up to the subsistence amounts shown above and travel will be claimable.

3.6 Child and dependant carer's allowances

Members may claim an allowance (set out in Schedule 1 below) for the use of childminders, babysitters or other sitters for dependants while carrying out approved duties. See section 2.3 above for details. Claims must be supported by receipts for payments made.

3.7 ICT and other equipment

Members are securely able to access all Council information and communications from any internet access point, including a home computer, through the Members' Electronic Portal. In order to recognise that part of the cost of provision of such equipment is for the performance of Members' duties, Members may make claim for the following financial support:

- (a) In exceptional circumstances where a Member is unable to afford the purchase cost of a suitable computer the Council would consider assisting the Member by advancing a lump sum which would then be recovered via repayments from this allowance;
- (b) where a Member has been provided with a Council funded computer, no allowance will be paid; and

- (c) all such allowances are subject to tax along with Basic and Special Responsibility Allowances in the normal way.

3.8 Claims procedure

Claims for travel, subsistence and dependant carer's allowances must be made each month using the Members' claim form. Members can either submit a claim in writing or on-line. If any Member wishes to submit claims on-line, he/she is required to sign a 'request to submit forms via e-mail' and return it to the Head of Legal & Democratic Services or Democratic Services Team Leader so that a members' claim form can be sent electronically for completion. All claims must be received by the Democratic Services Team by the twentieth day of the month. This is essential as they must be verified and approved by the twenty third day of the month in time for the monthly payroll run on the fifteenth of the following month. Any claims received after these dates will be paid on the subsequent pay run.

Members should ensure that they submit claims each month as claims stretching back over several months may be delayed owing to the increased difficulty of verifying them. Claims over 3 months old will not be paid. All claims to be finalised within one month of the start of the financial year.

The claim form must include receipts for all expenses claimed other than car mileage, and must be signed by the Member to declare that he/she is entitled to all amounts claimed and has not already been reimbursed for these amounts by the Council or any other organisation. For those claims submitted electronically, all relevant receipts must also be submitted to support the claim.

If a Member wishes to reclaim tax paid on subsistence allowances, he/she must provide relevant receipts to HMRC. If a Member applies for benefit, he/she must declare any allowances and expenses received from the Council on his/her application form.

Should it ever arise that the Council incurs expenditure on behalf of a Member's spouse or partner, then a debtor's account will be sent to the Member to recover all additional costs and a copy of the accounts will be placed with the file of payments to Members.

4. GUIDANCE FOR OFFICERS IN RESPECT OF PAYMENT TO MEMBERS

All Officers must adhere to the above scheme when verifying and making payments to Members. The Head of Legal & Democratic Services or Democratic Services Team Leader must verify all Member claims prior to passing them for payment taking particular note of Schedule 2. The Finance Team will maintain a file of payments to Members. For all payments under the Members' Allowances Scheme, this must show the name of the recipient, together with the amount and nature of each payment. It is open for inspection free of charge by electors in the area, who may copy any part of it.

The scheme also applies to Officers incurring expenditure on a Member's behalf - if an Officer spends more than the prescribed limits shown above for a Member's

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travel and/or subsistence then *the Officer cannot claim the excess, but must bear the cost personally*. If an Officer wishes to make a claim for Member travel and/or subsistence, he/she must complete an employee travel and subsistence expenses claim form in the usual way, but stating clearly which Member(s) were paid for, and the details of the payment (cost, time of day incurred) which will allow it to be checked against the prescribed subsistence scheme. A copy must be sent immediately to the Finance Team for recording in the file of payments to Members.

If any other issue of payment to a Member arises, other than one covered by the above Members' allowance scheme or a normal service issue, then prior written approval should be obtained from the Chief Executive or Monitoring Officer.

When a department arranges any seminar, conference, course or visit which will incur costs on behalf of a Member, the lead officer must liaise with the Chief Finance Officer to ensure that only permitted expenditure is incurred. The lead Officer of the event should keep a list of Members attending an approved event, and forward it immediately afterwards to the Head of Legal and Democratic Services or Democratic Services Team Leader and the Finance Team to ensure that any subsequent Member claims for travelling and/or subsistence can be verified.

Tours outside the Sevenoaks District may be arranged by the relevant department. They will still require formal committee/cabinet approval and adequate budgetary provision. Any overnight stop, unless paid for directly by the Council, and any lunch or evening meals purchased for the Members involved must adhere to the subsistence rates shown above. If air tickets are reserved, the cheapest rate of public air travel must always be used.

Any proposed payment or commitment of civic funds must be referred to the Chief Executive or Monitoring Officer for prior approval. These Officers must ensure all payments so made remain within budgeted levels of expenditure, and that any payments to or on behalf of Members are recorded in the file of payments to Members.

Schedule 1**Members Allowances 2021/22**

With effect from the commencement of the municipal year
2021/22

Description of Allowance	2021/22	
	Allowance per Member	
	£	
Basic Allowance (all Members)	5,715	
<u>Special Responsibility Allowances:</u>		
Cabinet Chairman (Council Leader)	20,910	
Deputy Leader	12,546	
Cabinet members	7,319	
Deputy Cabinet Members	1,673	
Opposition Group Leaders:	282	per Group Member
Liberal Democrats (3 Members)	846	
Independents (3 Members)	846	
<u>Chairmen</u>		
Advisory Committees (x7)	2,614	
Audit	2,614	
Community Infrastructure Levy (CIL) Spending Board	2,614	
Development Control	5,228	
Governance	2,614	
Health Liaison Board	2,614	
Licensing	2,614	
Scrutiny	2,614	
Sevenoaks Joint Transportation Board	2,091	
Standards	1,673	
<u>Vice-Chairmen</u>		
Advisory Committees (x7)	0	
Audit	0	
Community Infrastructure Levy (CIL) Spending Board	0	
Development Control	1,046	

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Governance	0
Health Liaison Board	0
Licensing	0
Scrutiny	0
Sevenoaks Joint Transportation Board	0
Standards	0
<u>Committee Members</u>	
Development Control members	523
Licensing Committee members	141
<u>Other</u>	
Standards co-optees	502
Child Care (p/h/p/child max)	8.00
Dependent Carers (p/h max)	17.00

Schedule 2

Members' Allowance Scheme - Approved Duties Specific Examples

- Attendance at a meeting of Council
- Attendance at a meeting of Cabinet (all Members)
- Attendance at a meeting of any Committee/Sub-Committee/Working Group/Board/Hearing of which you are a Member (attendance at Committee meetings as an observer is not considered an approved duty, the only exception to this being meetings of the Cabinet).
- Attendance at a meeting of any outside organisation that you are appointed to by the Executive or the Council
- Attendance at any Development Control Meeting and Development Control Site Meeting as agreed by the Chairman or Vice-Chairman of Development Control, if you are a member of Development Control or a local member for the ward concerned
- Attendance of any other site visit approved by Council, the Executive or any Committee/Sub-Committee/Working Group/Board/Hearing, if you are a member of the relevant body
- Attendance by a member of the Executive at any Committee/Sub-Committee/Working Group/Board/Hearing that is discussing matters within that member's Portfolio
- Attendance at any meeting organised by Officers of the Council to which at least two political groups have been invited
- Attendance at any training session organised by Officers of the Council to which the Member has been invited
- Attendance at any service-specific seminar organised by Officers of the Council to which the Member has been invited
- Attendance at any Conference or Seminar where prior agreement has been made by a Chief Officer of the Council
- Attendance at pre-meeting briefings by Chairman/Vice-Chairman of Committees/Sub-Committees/Working Groups/Boards/Hearings
- Attendance of members of the Executive at Briefing meetings
- Attendance of a member of the Executive that is required to attend a tender opening
- Attendance at any meeting pre-arranged by Officers of the Council relating to issues within the Member's responsibilities

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INTERNAL AUDIT PROGRESS REPORT

Audit Committee - 22 September 2022

Report of: Audit Manager

Status: For Consideration

Also considered by: None

Key Decision: No

Portfolio Holder: Cllr. Matthew Dickins

Contact Officer: Jennifer Warrillow, Ext. 7053

Recommendation to Audit Committee: Note the contents of the report

Agree the reduction in the audit plan

Reason for recommendation: This report is part of regular reporting to Audit Committee on Internal Audit progress and outcomes. The overarching purpose is so that Members can assure themselves on the effectiveness of both the service itself and of risk management, governance and control processes within the Council.

Resourcing issues mean that the Audit Team are unable to deliver against expectations set out in the Audit Plan as presented March 2022.

Introduction and Background

- 1 The Audit Committee receives regular updates from the Internal Audit Partnership. Principally the focus of these updates is to track progress, findings, and key insights from delivery of the Internal Audit Plan.
- 2 We have also reviewed the 2022/23 Internal Audit Plan as approved by Committee in March 2022 in light of current risks and resources. Consequently, we are proposing some amendments to the Plan as set out in paragraph 8 of Appendix A.
- 3 The report also provides an update on the implementation of actions raised as part of our audit work and on the performance of Internal Audit via KPIs.

Other options Considered and/or rejected

None

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Key Implications

Financial

There are no direct financial implications associated with this report.

Legal Implications and Risk Assessment Statement.

Under the Accounts and Audit Regulations, the Council is required to maintain an adequate and effective system of internal audit.

Links to the Corporate Risk Register are provided within Appendix A.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusion

This report provides Members with an update on the Internal Audit's outcomes and performance, including Internal Audit progress towards delivery of the 2022/23 Audit Plan.

Appendices

Appendix A - Internal Audit Progress Update

Background Papers

[Internal Audit Plan 2022/23](#)

Jennifer Warrillow

Audit Manager

DARTFORD & SEVENOAKS AUDIT PARTNERSHIP

Internal Audit Update Report

22 September 2022



Agenda Item 7

Introduction

1. Internal Audit is an independent and objective assurance and consulting function. The shared team undertake reviews over the course of the year that are designed to evaluate and improve the Council's internal control, governance and risk management processes. Each individual review contributes towards the Chief Audit Executive's overall opinion on systems of risk management, governance and control provided at the end of the year.
2. This report provides Members with an update on internal audit activity, and, most importantly, its outcomes, against the Plan that was agreed by Members of this Committee in March 2022.
3. It also seeks to enable the Committee to discharge its responsibility to provide oversight of the quality and effectiveness of the Internal Audit Partnership. The Key Performance Indicators for Quarter 2 are provided in **Annex A**.

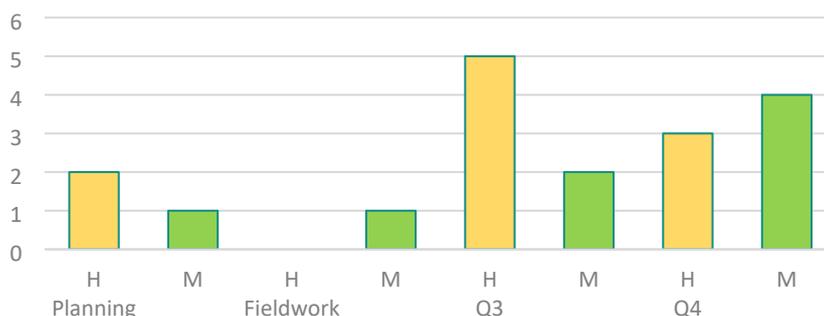
Internal Audit Progress Update

4. The approved 2022/23 Internal Audit Plan is divided into two priority levels according to their risk to the organisation. The high priority list contains the audits that are priorities for completion and we committed to undertake all of these audits. The medium priority list contains additional audits that we will select as the risk profile dictates throughout the year. We committed to delivering 11 of these audits in the audit plan.
5. As a result of a change in Audit Manager and an Auditor vacancy and other staff absences during the year, we were unable to complete the 2021/22 audit plan in time for the Audit Manager's annual opinion which was delivered in July. There were 7 audits left outstanding and our progress to date has been towards completing those projects. The table below details the progress made since the annual report:

Audit Title	Current Status	Assurance
Property Investment Strategy	Complete	Reasonable
Corporate Landlord Liabilities	Complete	Limited
Emergency Planning	Complete	Substantial
IT Governance	Draft Report	
Temporary Accommodation	Draft Report	
Companies - Quercus	Review	
Staff Wellbeing	Review	

6. In the previous update report which was delivered in March 2022, we reported that we were fully staffed and should be able to complete the plan as expected. Unfortunately, we have lost 2 Auditors and our Audit Support Officer since that report. This has also significantly contributed to the delivery of the 2021/22 audit plan and the start of the 2022/23 plan.
7. We ran a recruitment exercise in May to recruit to one of the Auditor vacancies and unfortunately that was unsuccessful. I am therefore working with Senior Management and HR to find the best way to resource the team and hope that should be successful in the coming months. However, that currently leaves us with a significant gap in resources, some of which I plan to fill using contracted audit services. Due to costs, I will not be able to match bought in services to the level of resource lost however, and so I am proposing a reduction in the number of medium priority audits we deliver for 2022/23.
8. We have reviewed the current Audit Plan in light of changes described above, I believe we need to reduce the number of medium priority audits we deliver to 8 from the 11 previously proposed. The high priority audits remain appropriate for the risks the Council is facing and so I do not propose any changes to that list. We therefore ask that Members approve the reduction in the audit plan.
9. I have reviewed the 2022/23 audit plan and summarise our progress in the chart below. The issues raised above have meant that our focus in the first part of this audit year has unfortunately needed to be on completing 2021/22 work which explains our slow progress towards 2022/23 work. As part of the chart below, you will see when we plan to complete the remainder of the plan.

2022/23 audit plan completion



Internal Audit Outcomes

10. Since the annual report, we have completed 3 audits and have a further 2 at draft report stage. I provide the summaries of the completed audits below along with their associated assurance ratings (definitions found at **Annex B**):

Property Investment Strategy – Issued July 2022

Reasonable

The purpose of this review was to establish if the Council procured assets in line with the criteria set of its Property Investment Strategy and assess if the financial model used is sufficient and a good working example, and that income from investments is meeting expectations.

Strengths

- The Council has a Property Investment Strategy, which is reviewed annually, and clearly sets out the council’s criteria to be met for asset purchases.
- There is regular reporting on each investment property showing whether the income derived from it is meeting expectations.
- There has been an improvement in the style of the investment proposal reports which clearly show the financial aspects and potential issues and steps which could be taken.

Areas for development

- There is reliance on staff experience and expertise to identify and follow through on an investment as there is currently no written guidance as to the steps to be taken for investments in relation to capital projects.

Priority Ranking	Number of audit actions	Actions agreed
Critical	0	NA
High	0	NA
Medium	1	1
Low	0	NA
Advisory	0	NA
Total	1	1

Corporate Landlord Liabilities – Issued July 2022

Limited

The aim of the audit was to review the effectiveness of the controls over the Council’s compliance to its statutory responsibilities as corporate landlord. The service would like it noted that they recently introduced the current approach as there were limited arrangements in place previously.

The controls over statutory compliance and the associated budgets require improvement. Although suggestions for planned maintenance for the coming year are listed in the annual plan for each property, we could not ascertain whether works had been completed from either the planned property maintenance (PPM) spreadsheet, or from conversations with officers.

Compliance reviews are undertaken to ascertain non-compliance to statutory requirements relating to tenanted properties. However, this is administered via a rolling spreadsheet that is continually updated, which increases the risk of manual errors and could lead to compliance inspections not being undertaken when due.

Our testing found compliance certificates are not consistently attached to the compliance confirmation form completed by tenants to confirm that inspections have been carried out in accordance with the lease. This poses a risk should the necessary inspections not have been carried out, and a formal escalation process is yet to be agreed.

The service is currently in the process of implementing the Uniform and Idox system to support the statutory compliance function, but it remains unclear if this system is indeed appropriate. We understand implementing the system will address some of the control weaknesses identified. Introductory training has been completed by the service and they anticipate the system to be operational by March 2023. Ongoing training will be required.

Priority Ranking	Number of audit actions	Actions agreed
High	1	1
Medium	1	1
Low	2	2
Advisory	2	2
Total	6	6

Emergency Planning – Issued September 2022

Substantial

The objective of the audit was to review the effectiveness of controls over the Sevenoaks District Council's (Council) emergency planning arrangements.

Based on our audit work, we conclude that the controls over budget setting and long-term financial planning provide **SUBSTANTIAL** assurance on SDC's emergency planning arrangements.

The Council's emergency response role sits within a larger framework of responders, coordinated through the Kent Resilience Forum. Within the Council, Emergency Planning arrangements are overseen by the Head of Direct Services, alongside the CCTV Partnership & Emergency Civil Protection Manager. We focused our review on plans underpinning the MEP and how the Council liaises with the Kent Resilience Forum and other agencies to communicate with external stakeholders, test emergency plans and report on major incidents.

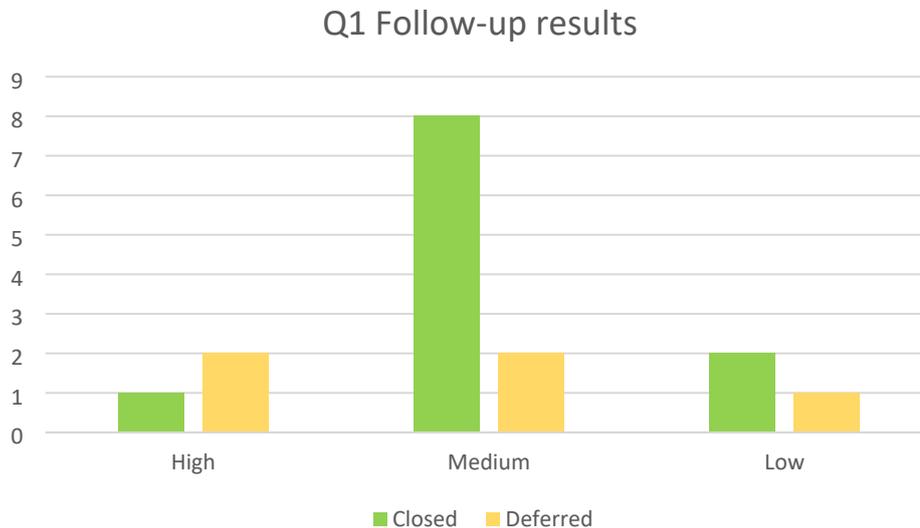
We noted the following areas of key strengths:

- The Council's major emergency plan was reviewed, updated, and approved in January 2022. This was done with support from an external consultant.
- The position of the Sevenoaks major emergency plan concerning County and Kent Resilience Forum (KRF) plans are laid out. The responsibilities of all parties are clearly outlined and documented.
- Training is provided to employees on the KRF and handling major emergencies.

We have raised no recommendations resulting from our testing and so we consider this audit complete.

Follow Up

11. Internal Audit follows up all Critical, High, Medium and Low priority findings as they fall due. The below table shows the results of our follow up process for actions due in Quarter 1 this financial year. All deferrals have been agreed by the Chief Officer – Finance and Trading or the actions have made significant progress and we are expecting them to be fully implemented shortly.



Internal Audit Performance

12. Audit Committee has an important role to play in overseeing and ensuring the quality and effectiveness of Internal Audit, in order to assure themselves that Internal Audit makes a robust contribution to governance and that reliance can be placed on its conclusions. This oversight is facilitated through the Quality Assurance and Improvement Programme, which includes an action plan and performance indicators. The Quality Assurance and Improvement Plan was last presented in July 2022 and is due to be reported next in January 2023.

13. **Annex A** contains the results of our Key Performance Indicators (KPIs) for Quarter 1 (April - July). Our KPIs indicate a drop in performance which while concerning, is to be expected given the staffing issues described above. The main area for action remains the timeliness of audit delivery; the KPI shows that no audit reports are issued by the date given on the audit brief. I believe we now understand the root cause of this issue and have put actions in place to address it meaning that there should be an increase in performance reported in January.

Conclusion

14. We are looking to complete our work on the 2021/22 Internal Audit Plan shortly and have started making some progress towards the 2022/23 audit plan. Our resourcing issues mean that we will not be able to deliver the full audit plan as expected in March 2022 but

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the adjustments suggested above should be achievable. Managers have agreed the recommendations for all issues raised and consequently there are no risks identified that will not be sufficiently mitigated once these are implemented.

15. We would like to thank Officers, Managers and Members for their ongoing support and co-operation to enable us to deliver our work.

Jennifer Warrillow

Audit Manager

Annex A – Key Performance Indicators for Q1 (April – June 2022)

Finance: Associated performance indicators	Q1 (April-June)
<p>F1: Percentage of budgeted days taken to complete projects – <i>Target 100%</i> Reported on a cumulative basis</p> <p>Indicator measures any variance between the days agreed on the final brief vs. the actual time coded</p>	177%
<p>F2: Chargeable days – <i>Target 75%</i> Reported on a quarterly basis</p> <p>Indicator measures the actual chargeable activities against the assumptions made in the audit plan</p>	Average 71%
<p>F3: PSIAS conformance – <i>Target ‘Generally Conforms’ (IIA definition)</i> Reported annually</p> <p>Indicator measures effectiveness of the Quality Assurance & Improvement Programme (QAIP) to ensure compliance with professional Standards.</p>	To be reported at the end of 2022/23
Client satisfaction: Associated performance indicators	Q1 (April-June)
<p>C1: Respondents satisfied with the overall audit experience – <i>Target 90%</i> Reported on a project by project basis</p> <p>Indicator measures Client satisfaction with how we undertook the work, and takes into account our professionalism, approach and competence</p>	1/1 63%
<p>C2: Respondents agreement with the audit actions – <i>Target 90%</i> Reported on a project by project basis</p> <p>Indicator measures Client agreement to the audit findings and resulting actions from our audit work</p>	18/18 100%

Internal processes: Associated performance indicators	Q1 (April-June)
<p>I1: Percentage of draft audit briefs issued at least 10 working days before the start of fieldwork. - <i>Target 90%</i> Reported on a project by project basis</p> <p>Indicator measures the effectiveness of our project planning and communications with the client</p>	2/3 67%
<p>I2: Percentage of draft audit reports issued by the date given on the final audit brief - <i>Target 70%</i> Reported on a project by project basis</p> <p>Indicator measures the efficiency of our audit work, currency of our audit finding and effective engagement between Auditors and Clients</p>	0/9 0%
<p>I3: Time taken between issue of the DRAFT report and FINAL report – <i>Target 15 working days</i> Reported on a project by project basis</p> <p>Indicator measures the effectiveness of our process to finalise audit reports and issue the report in a timely manner</p>	4/8 50%
Learning & Development: Associated performance indicators	Q1 (April-June)
<p>L1: Audit actions fully implemented within agreed timescales – <i>Target 80%</i> Reported on a monthly basis</p> <p>Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process</p>	9/25 36%
<p>L2: Training & development days - Reported annually</p> <p>Indicator measures our investment and time spent on training and development against the assumptions made in the audit plan</p>	14.89 Days (annual budget of 29 days)

Annex B - Definitions of Assurance ratings:

OPINION	DEFINITIONS
<p>Substantial Assurance</p>	<p>A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>
<p>Reasonable Assurance</p>	<p>There is a generally sound system of governance, risk management and control in place.</p> <p>Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>
<p>Limited Assurance</p>	<p>Significant gaps, weaknesses or non-compliance were identified.</p> <p>Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</p>
<p>No Assurance</p>	<p>Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified.</p> <p>The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.</p>

STRATEGIC RISK REGISTER

Audit Committee - 22 September 2022

Report of: Audit Manager

Status: For Consideration

Also considered by: None

Key Decision: No

Executive Summary: This report presents the most recent version of the Strategic Risk Register for consideration by Audit Committee.

Portfolio Holder: Cllr. Matthew Dickins

Contact Officer: Jennifer Warrillow, Ext. 7053

Recommendation to Audit Committee: Consider and note the contents of the Strategic Risk Register

Reason for recommendation: The Audit Committee, through its Terms of Reference, has responsibility for maintaining an overview of risk management development and operations. Regular oversight of the Strategic Risk Register is an important part of discharging this responsibility.

Introduction and Background

- 1 Audit Committee is required, through its Terms of Reference, to maintain oversight of risk management arrangements and operations. As such, it receives periodic updates on risk management, including the Strategic Risk Register.
- 2 The Strategic Risk Register was last presented to Audit Committee in March 2022. Since then, it has been updated quarterly through individual meetings with risk owners and collective discussions at Strategic Management Team (SMT). The most recent update (July 2022) is presented at Appendix A.
- 3 The table on Pages 2 of Appendix A gives an overview of changes made to the Strategic Risk Register since June 2021. There have been no increases in risk scores since the last quarter.
- 4 Seven risks are currently above the target score and actions are in place to reduce the current score accordingly.

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Other options Considered and/or rejected

None

Key Implications

Financial

There are no direct financial implications associated with this report, however financial risk is considered as part of the Strategic Risk Register.

Legal Implications and Risk Assessment Statement.

The Strategic Risk Register is the core mechanism used by the Council to identify, assess and monitor key risks. There are no direct legal implications associated with this report, however compliance risk is considered as part of the Strategic Risk Register.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

Since the last update to Audit Committee in March 2022, there have been several changes to the Strategic Risk Register. As part of its governance and oversight role regarding the Council's risk management, Audit Committee is asked to review and consider the updated Strategic Risk Register.

Appendices

Appendix A - Strategic Risk Register

Background Papers

None

Jennifer Warrillow

Audit Manager

Strategic Risk Register

July 2022



Strategic Risk Profile

Risks are assessed based on **impact and likelihood** to gain an overall view of the significance of the risk's threat to the achievement of objectives. These are multiplied to give an overall score which is used to inform our response to the risk. The table below summaries the net score (after controls have been applied) for each risk including changes since the last update and a comparison with the target score.

Ref	Risk Title	June 2021 Score	September 2021 Score	December 2021 Score	March 2022 Score	July 2022 Score	Target Score	Net risk within target risk?
SR01	Finance	10 Medium	10 Medium	10 Medium	10 Medium	10 Medium	10 Medium	Yes
SR03	Asset management & maintenance	6 Low	6 Low	8 Medium	8 Medium	8 Medium	6 Low	No
SR04	Knowledge, capacity & culture	12 Medium	12 Medium	8 Medium	8 Medium	8 Medium	8 Medium	Yes
SR05	Technology	12 Medium	12 Medium	8 Medium	8 Medium	6 Low	6 Low	No
SR06	Information & data management	12 Medium	12 Medium	12 Medium	12 Medium	9 Medium	6 Low	No
SR07	Legal compliance, governance & ethics	6 Low	6 Low	6 Low	6 Low	6 Low	6 Low	Yes
SR08	Capacity of community partners	6 Low	6 Low	6 Low	6 Low	6 Low	6 Low	Yes
SR09	Health & Safety (incl. Staff Wellbeing)	12 Medium	12 Medium	12 Medium	12 Medium	9 Medium	6 Low	No
SR10	Emergency planning & severe weather events	12 Medium	12 Medium	9 Medium	9 Medium	9 Medium	9 Medium	Yes
SR11	Safeguarding	4 Low	8 Medium	4 Low	4 Low	4 Low	4 Low	Yes
SR12	Covid-19	8 Medium	8 Medium	8 Medium	8 Medium	8 Medium	8 Medium	Yes
SR13	Temporary Accommodation	12 Medium	12 Medium	12 Medium	12 Medium	12 Medium	12 Medium	Yes
SR14	Capital Projects	10 Medium	12 Medium	12 Medium	12 Medium	12 Medium	8 Medium	No
SR15	Net Zero	9 Medium	9 Medium	9 Medium	9 Medium	9 Medium	6 Low	No

The matrix below shows the Council’s overall risk profile, again based on net risk. The impact matrix which gives guidance on the definitions to be applied when considering impact is provided at the end of this document.

		Impact	Impact	Impact	Impact	Impact
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
Likelihood	Very Likely (5)					
Likelihood	Likely (4)					
Likelihood	Possible (3)			SR06 SR15 SR09 SR10	SR13 SR14	
Likelihood	Unlikely (2)		SR11	SR05 SR07 SR08	SR03 SR04 SR12	SR01
Likelihood	Very Unlikely (1)					

The summary below maps each of the strategic risks to the Council Plan:

No.	Risk	Net Risk Rating	Value for Money	Keep the District Safe	Provide high quality services	Protect the Green Belt	Support and grow the local economy
01	Finance	10	✓	✓	✓	✓	✓
03	Asset management & maintenance	8	✓		✓		✓
04	Knowledge, capacity & culture	8	✓	✓	✓	✓	✓
05	Technology	6	✓	✓	✓	✓	✓
06	Information & data management	9	✓	✓	✓	✓	✓
07	Legal compliance, governance & ethics	6	✓	✓	✓	✓	✓
08	Capacity of community partners	6	✓	✓	✓		✓
09	Health & Safety (incl. Staff Wellbeing)	9	✓	✓	✓	✓	✓
10	Emergency planning & severe weather events	9	✓	✓	✓	✓	✓
11	Safeguarding	4		✓	✓		
12	Covid-19	8	✓	✓	✓	✓	✓
13	Temporary Accommodation	12	✓	✓	✓		
14	Capital Projects	12	✓		✓		✓
15	Net Zero	9		✓		✓	✓

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Strategic Risk Register

The strategic risks are detailed below. Each risk has a lead officer who is best placed to co-ordinate the response to the risk.

Each risk is first assessed **gross** (without existing controls in place) and then re-assessed following the identification of key controls to give the **net** score. Each risk is also given a **target** score, which is the desired rating for the risk.

The overall **rating (R)** is derived by multiplying the **likelihood (L)** and the **impact (I)**.

Actions have been identified to further enhance controls where relevant.

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
SR01: Finance - Failure to deliver a balanced budget Lead Officer: Adrian Rowbotham & Alan Mitchell											
Detrimental impact of Covid-19 on Council income and expenditure Limited opportunity to generate income through the business rates retention scheme and New Homes Bonus <ul style="list-style-type: none"> Effect of council tax referendum limits Low, decreasing and uncertain level of government grant Uncertainty of the timing and outcome of the Government spending and fair funding review Potential for negative government funding (local authority to make payments to Government) Effect of cost of external borrowing on the Council's budgets Loss of external funding 	<ul style="list-style-type: none"> Poor financial health Inability to maintain services and deliver Council Vision and Promises Requirement to issue S114 notice Reputational damage Negative impact on staff morale and potential recruitment and retention difficulties Poor outcome for the Audit of Accounts or Value for Money assessment Potential for increased intervention Reduced income or increased 	4	5	20	<ul style="list-style-type: none"> Self-sufficient budget position; no reliance on direct government funding Long term 10-year budget framework including Savings Plan Flexible use of reserves Alternative funding source - Property Investment Strategy Strong financial and scenario planning over the short, medium and long term Effective budget setting and financial monitoring processes embedded Financial and budget risk management process in place Effective financial governance including reports to FIAC, Cabinet, Audit Committee and Scrutiny Committee Qualified and experienced officers in post 	2	5	10	2	5	10

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<ul style="list-style-type: none"> Budget assumptions not accurate Ability to identify increase in savings requirement to deliver a balanced 10-year budget Failure to meet savings targets Poor financial plans and strategies Ineffective financial governance Lack of capacity and skilled professionals within the finance team Failure to maintain proper financial and budgetary controls Change in customer demand (eg car parking) and expectation Inflation Treasury management returns below expectations. Under performance of property investment assets (SDC & Quercus 7) 	<p>expenditure as a result of changing customer demands</p> <ul style="list-style-type: none"> Treasury management change in approach may result in higher volatility of returns Inflationary expenditure increases exceeding income and funding increases Reduced property investment strategy income 				<ul style="list-style-type: none"> 10-year balance sheet 3-year detailed cash flow Finance Procedure Rules in place (but see action below) 2022/23 early indications financial report to FIAC & Cabinet May 2022 Effective financial governance of property investment strategy including reports to FIAC, Cabinet and Scrutiny Committee Regular Quercus 7 Board and Trading Board meetings 						
<p>Actions</p> <p>Update Finance Procedure Rules (end December 2022)</p> <p>2022/23 monitoring and 2023/24 budget setting processes to consider new inflationary pressures</p>											
<p>Available Assurance</p> <ul style="list-style-type: none"> Internal Audit of Budget Monitoring reported December 2020 - substantial assurance Internal Audit of VAT reported March 2021 - Advisory but no significant issues raised Counter Fraud assessment - of 52 sections, 19 Compliant, 21 Partially Compliant, 12 Not Met Internal Audit of ten year budget process issued September 2021 - 'Reasonable' assurance External Audit of 2020/21 financial statements Internal Audit of corporate credit cards - Completed in October 2021 with 'Limited' assurance Internal Audit of Property Investment Strategy completed June 2022 with Reasonable assurance Ad hoc external consultants provide reports on state of the property markets Annual property investment valuation carried out by independent consultant, in line with CIPFA and RICS standards 											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR03: Asset Management & Maintenance - Losing the ability to: <i>a) Dispose of surplus land;</i> <i>b) Maintain and develop assets and land holdings;</i> <i>c) Secure tenants for vacant or part-vacant assets</i> Lead Officers: Adrian Rowbotham & Detlev Munster											
<ul style="list-style-type: none"> Lack of finance to deliver asset management plans and maintenance programmes Lack of capacity to appropriately manage, maintain and invest in the council's assets Failure to maximise the benefit from asset disposals Lack of tenants to occupy vacant or part-vacant assets Lack of buyers for surplus Council land Failure to adopt effective governance procedures Project management skills to ensure cost effective and robust developments Failure to identify partners to take forward projects and initiatives Loss of contracted providers to manage and operate assets Covid-19 / Economic conditions - ability to find or retain tenants, collect lease or rental income, reduction in asset values (systemic risk) Lack of suitable skills or sufficient capacity 	<ul style="list-style-type: none"> Decrease in asset values placing increased pressure on council budgets Failure to maximise the opportunity to raise income from investment in assets Increased insurance premiums Adverse impact on service delivery Loss of investment or income opportunities Reputational damage Closure of public assets and loss of community facilities Corporate Landlord liabilities associated with poorly maintained assets (tenants and corporate buildings) - cross refer to SR09 	3	4	12	<ul style="list-style-type: none"> Property / Asset Register (record of land in Council ownership) Asset maintenance budgets reviewed annually Ongoing strategic review of council owned property Inventory registers in place Financial procedure rules in place (but see action below) Economic Development & Property team in place Professional, external advisers engaged to support the development of strategies and fill skills and capacity gaps Capital Programme and Asset Maintenance 2019-22 plan in place Surveys of all Council buildings completed and reflected in Asset Maintenance plan Long term leases in place with providers with regular monitoring 	2	4	8	2	3	6

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<ul style="list-style-type: none"> Inadequate Property/Asset Register held by SDC and other statutory bodies 											
Actions <ul style="list-style-type: none"> Prepare and periodically review Asset Management Plan Financial Procedure Rules to be reviewed, Disposals Policy to be approved - Property procedure rules written and awaiting financial regs to be updated Update Asset Register - in progress and has become a higher priority due to ongoing issues being identified - Dec 2022 											
Available Assurance <ul style="list-style-type: none"> Internal Audit of Corporate Landlord Liabilities - Limited Assurance (July 2022) 											

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
SR04: Knowledge, capacity & culture - Management of the Council's human resources fails to protect the Council's culture, making it difficult to address gaps in capacity and knowledge Lead Officer: Jim Carrington-West & Diana Chaloner											
<ul style="list-style-type: none"> Continuing reductions to Council budgets National and local pay constraint Increasing cost of living Inability to employ and retain high quality staff Increased demand for services and high levels of work with reduced capacity and resources Requirement for new skills to deliver the Council's Corporate Plan promises Lack of capacity within the Human Resources team to develop policy and support the workforce Ineffective succession planning High staff turnover Loss of IIP Platinum status Impact of Covid-19 on working practices and greatly increased working from home 	<ul style="list-style-type: none"> Lack of resources to employ, develop and support the wellbeing of staff Impact of poor mental health across the organisation Reduced morale and staff satisfaction Reduced productivity Reduced quality of staff and work / services Unable to recruit or retain high quality staff Increased absence levels Unable to continue to deliver the range and quality of services currently experienced Skills gaps that inhibit the ability to deliver Council projects Reputational damage as an employer and a service provider 	4	4	16	<ul style="list-style-type: none"> 10-year budget minimises the need for short notice changes to the workforce Recruitment and retention policies Managing Attendance Policy supported by return to work and staff wellbeing initiatives Staff Appraisal Scheme and Personal Development Plans further enhanced by the introduction of the Clear Review system Regular Staff Surveys and Investors in People Assessments to benchmark effectiveness as an employer Management and Staff Development programmes to support staff and protect the organisational culture Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps Investors in People Platinum status maintained (re-assessed in February 2019), demonstrating the Council is a high quality employer Re-evaluated HR strategies, training, development and retention plans and internal 	2	4	8	2	4	8

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
					communications to address the post Covid working environment <ul style="list-style-type: none"> • Introduction of new Workforce strategy • New LMS launched • Training and support around financial planning and wellbeing package to support staff in coping with cost of living crisis 						
Actions Investors In People assessment due January 2023 will highlight some of the benefits of working for Sevenoaks as well as enable us to address any gaps which could reduce the likelihood of this risk occurring											
Available Assurance <ul style="list-style-type: none"> • Investors in People Platinum status (re-assessed February 2019) • Internal Audit of ten-year budget strategy reported September 2021 - 'Reasonable' assurance • Internal Audit of appraisals - completed in October 2021 with 'Reasonable' assurance • Internal Audit of HR Policy Compliance (Grievance, Probation and Disciplinaries) reported August 2020 - Substantial Assurance • Internal Audit compliance check of recruitment controls June 2021 - Substantial Assurance 											

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
SR05: Technology - The Council's Information Technology doesn't meet the needs of the Council, Members, Officers and the local community Lead Officer: Jim Carrington-West & Amy Wilton											
<ul style="list-style-type: none"> Lack of finance to effectively procure and develop IT infrastructure and solutions across the Council Lack of capacity and skilled professionals to procure, implement and develop IT infrastructure and solutions across the Council Failure to identify areas where IT solutions could improve service delivery and reduce costs Failure to implement robust IT security arrangements in existing and new infrastructure and software Failure to meet the demands of partnership working in the delivery of solutions and on-going IT support Poor data management preventing the implementation of new services User base may not have sufficient broadband to work from home 	<ul style="list-style-type: none"> Failure to effectively deliver Council services and objectives Failure to benefit from the service efficiencies good use of IT would deliver e.g. channel shift, demand management, digital services Failure to maximise the cost savings and value for money efficient use of IT would deliver Security lapse could compromise the Council IT network and render systems inoperable Data loss Reputational damage Failure to deliver projects within required timescales Failure to provide adequate day to day support to customers Failure to prioritise projects effectively as 	4	4	16	<ul style="list-style-type: none"> IT Security Policy Business Continuity Plan Disaster recovery plans in place Network security measures in place including firewall and access level controls Procurement practices in place within the IT Service Experienced staff in post Effective budget setting and financial monitoring processes embedded Officer groups in place to support progress of digital services Ability to work in office or to deploy applications via Citrix or RDS Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps Digital Strategy Core server infrastructure including back-up infrastructure area recently updated Wifi in the building recently improved 	2	3	6	2	3	6

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
	financial resources reduce										
Actions <ul style="list-style-type: none"> Review Disaster Recovery plans - envisaged to be implemented October 2021 - delayed due to project in place to replace core infrastructure - will be looking at DR Plans Q1 2022/23 IT Security Policy due to be reviewed Disaster Recovery Policy due to be reviewed 											
Available Assurance <ul style="list-style-type: none"> Internal Audit of Cyber Security reported February 2021 - Limited assurance Internal Audit of IT Governance - in 2021/22 Audit Plan LGA Cyber Security Review 											

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Gross Score

Net Score

Target Score

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R

SR06: Information & Data Management - Failure to properly protect, preserve and make best use of the data and information resources that the Council holds
Lead Officer: Jim Carrington-West & Martin Goodman

<ul style="list-style-type: none"> Lack of capacity or skills within the workforce to implement a knowledge management system Lack of IT capacity to support a knowledge and information management system Ensuring compliance with the requirements of the Code of Connection Ensuring security levels are appropriate to protect data and information without preventing effective and efficient service delivery Breach / non-compliance with General Data Protection Regulations (GDPR) 	<ul style="list-style-type: none"> Breach of regulations and potential for significant financial penalties Impact on residents / customers Failure to meet the Council's objectives Failure to continue to deliver high quality services across the Council Increased costs from recruitment and staff training Negative impact on the organisation's culture and on staff morale Reputational damage 	4	5	20	<ul style="list-style-type: none"> Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps Data Protection policies in place and available to all staff Training for all staff on Data Protection IT policies in place Annual assessment against the Code of Compliance Disaster recovery plans in place Business Continuity Plan in place Information Governance Policy endorsed by SMT Digital strategy Actions from Cyber Security Audit implemented Core IT infrastructure recently updated 	3	3	9	2	3	6
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Actions

- Review Disaster recovery plans - new DR solution expected to be implemented October 2021 - delayed due to project in place to replace core infrastructure - will be looking at DR Plans Q1 next year
- Improvements to data back-up in progress as a result of funding from DLUC

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<p>Available Assurance</p> <ul style="list-style-type: none"> • Internal Audit of Cyber Security reported February 2021 - Limited assurance • LGA review of cyber security • Annual penetration testing - covered with LGA review as above • Annual assessment against Code of Compliance - <i>frequency TBC - may not take place, DL to confirm</i> • Monitoring Officer monitors compliance with DP training using system reports • Internal Audit of Information Security recently completed with Reasonable assurance 											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR07: Legal compliance, governance & ethics - Failure to recognise and adapt to changes in legislation and to deliver proper governance, scrutiny and internal control to protect the Council from poor practice and mismanagement Lead Officer: Jim Carrington-West & Martin Goodman											
<ul style="list-style-type: none"> Lack of capacity in the workforce to identify and adhere to legislative changes Lack of finance to adjust to changes in legislation Lack of Member or Senior Management support to deliver service changes in response to new legislation Breakdown in relationships between Members and Officers Lack of capacity and skilled professionals within the Legal, Democratic and Internal Audit teams Lack of financial resources to deliver high quality governance arrangements Governance arrangements which may not provide effective oversight of shared service arrangements Lack of skills and resources to provide Counter-Fraud and Corruption service Ineffective support for Councillors in relation to governance, legal compliance and ethics Procurement undertaken outside of / in breach of the Rules 	<ul style="list-style-type: none"> Failure to fulfil statutory duties resulting in government intervention and an increase in legal liabilities Failure to continue to deliver high quality services Increase in customer complaints and falling satisfaction levels Increase in incidences of fraud and error Failure to maximise the opportunities changes to legislation may bring Ineffective political and management leadership Ineffective scrutiny of decision making and performance Failure to deliver statutory requirements including an up to 	3	4	12	<ul style="list-style-type: none"> Dedicated in house Legal team with qualified and experienced officers in place Professional managers within service areas (Council-wide) Council's Constitution including Codes of Conduct, Officer / Member Protocol and Standards regime Cabinet and Committee Structure including Advisory, Governance, Audit, Scrutiny & Standards Committee's Monitoring Officer and Section 151 officers in post Effective budget setting and financial monitoring processes embedded Annual review of Committee Terms of Reference Members Handbook and Training Annual Governance Statement and action monitored and plan reported to Audit Committee Risk management framework recently updated 	2	3	6	2	3	6

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
	date constitution, an effective Internal Audit function and an Annual Governance Statement <ul style="list-style-type: none"> • Reputational damage 										
Actions <ul style="list-style-type: none"> • 											
Available Assurance <ul style="list-style-type: none"> • Internal Audit of Members Allowances and Expenses reported September 2021 - Substantial assurance • Internal Audit review of AGS returns - comments returned to s151 officer but some areas for development identified • Internal Audits of Procurement and Contract Management 2019/20 and 2020/21 - Advisory but several areas for development identified (see actions above) • Internal Audit of Legal Case Management System given limited assurance • Internal Audit of 10-year budget strategy complete - 'Reasonable' assurance • Fraud Risk Assessment to be undertaken 2022/23 (IA & CF Managers) • Internal Audit of IT Governance due in Q4 2021/22 											

Gross Scores

Net Scores

Target Scores

Risk Factors	Potential Effect	L	I	R	Internal Controls	L	I	R	L	I	R
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SR08: Capacity of Community Partners - The impact of austerity and reduced public spending on the workloads and budgets of community partners and the voluntary sector
Lead Officer: Sarah Robson

<ul style="list-style-type: none"> • Reductions in Government funding of partners such as housing, health, leisure, Police and Fire & Rescue services • Increased demand on partner resources and services as a result of Covid-19 and rising cost of living, against historic reductions in government funding • Changes to the way Government grant is distributed inhibiting the delivery of local priorities e.g. health funding • Reductions in Council grant constraining the funding available for community grants • Reduction in the number of voluntary sector organisations operating in the District as a result of funding difficulties or lack of willing volunteers 	<ul style="list-style-type: none"> • Unable to deliver the priorities and actions set out in the Community Plan, Community Safety Action Plan and Health Action Plan • Unable to deliver on the priorities and actions set out in the Council's health and housing strategies • Increased hardship in the District • Loss of partner organisations and assistance in the District • Greater health inequalities across the District 	3	3	9	<ul style="list-style-type: none"> • Robust budget setting processes in place which consider the benefits of the Council's community grant scheme and Service Level Agreements • Representation on the Kent and Medway Vulnerable Communities recovery meetings • Continue regular interaction with advisers at the DLUHC • COVID-19 Communities and Economy Recovery Plans adapted and being delivered • Internal and external working groups established to address financial hardship • Ability to attract external funding to sustain community projects • Strong relationships with local community and voluntary groups • Community Awards Scheme to celebrate the success of local residents and community projects and promote the benefits of volunteering • Local Strategic Partnership delivery of the Community Plan, supported by the Community Wellbeing Fund funding local organisations 	2	3	6	2	3	6
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Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
					and initiatives responding to the impact of Covid-19 <ul style="list-style-type: none"> Local Strategic Partnership for the District Robust monitoring process in place for Service Level Agreements and Grants to ensure outcomes are being achieved. Processes and controls under review. Voluntary Sector Forum for the District Partnership Agreement in place and monitored with West Kent Housing Association Funding Agreement with Kent Public Health to deliver One You programme in the district to address health inequalities. 						
Actions None											
Available Assurance <ul style="list-style-type: none"> Internal Audit consultancy review of Community Grants reported September 2021 Four monthly voluntary sector barometer check survey 											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR09: Health & Safety - Breach / non-compliance with Health & Safety legislation and practices resulting in harm to workforce											
Lead Officer: Jim Carrington-West and Nick Chapman and Trevor Kennett											
<ul style="list-style-type: none"> Ineffective or lack of Health and Safety Policy, guidance and training for staff Ineffective controls for the management of Health and Safety Ineffectiveness of health and safety risk assessments Lack of awareness of health and safety controls and practices at work Lack of capacity and skills to ensure continuous provision of high quality health and safety in the work place Property standards decline Threats posed by the pandemic - both in the office and - how we use everything Increased home working as a result of hybrid working - equipment and facilities - staff not have equipment to work from home 	<ul style="list-style-type: none"> Poor working practices Increased absence from work Work place accidents and near misses Health and Safety Executive inspections and fines Reputational damage as a service provider and as an employer Corporate Manslaughter Financial impact Non-compliance with statutory requirements 	4	5	20	<ul style="list-style-type: none"> Health and Safety Policy regularly updated Health and Safety guidance Health and Safety risk assessments Regular review and monitoring of risk assessments and safe working practices Health and Safety training Health and well-being monitoring including sickness monitoring Accident recording, monitoring and action planning Suitably trained officers undertake H&S risk assessments Occupational health service Corporate Health and Safety update reported to SMT quarterly Staff wellbeing (Health, Safety and Security) is a standing item on the SMT agenda. The Action Manager (TAM) health and safety management system for Direct Services Depot health and safety handbook 	3	3	9	2	3	6

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
					<ul style="list-style-type: none"> Corporate H&S Group has been refreshed with new ToR 						
<p>Actions</p> <p>Review Health and Safety framework and arrangements as a whole including consideration of actions from the IA H&S audit - <i>vacant post in structure with Health and Safety focus which will pick up ongoing review and update of framework</i></p> <p><i>Reviewing the H&S policy, risk assessment approach</i></p> <p><i>Also considering the purchase of a H&S admin system</i></p>											
<p>Available Assurance</p> <ul style="list-style-type: none"> HSE Covid-19 inspection - confirmed arrangements in place are robust for Covid Internal Audit consultancy review against HSE checklist - 28 areas generally compliant, 13 partially compliant, 5 not met Internal Audit of Fleet Management reported March 2021 - substantial assurance Internal Audit of Tree Maintenance - Advisory but no significant issues identified Internal Audit of Staff Wellbeing currently underway Ongoing review of C-19 risk assessment - last iteration signed off by SMT w/c 27th September 											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR10: Emergency planning & severe weather events - Ability to respond effectively in the event of a prolonged major incident while maintaining the ability to keep services running Lead Officer: Adrian Rowbotham & Trevor Kennett											
<ul style="list-style-type: none"> Inadequacy of emergency plan & business continuity plans Inability to appropriately implement emergency plans in response to any given event Lack of capacity or specialist skills within the workforce to co-ordinate and respond to a major emergency Insufficient controls for major emergency hazards Security - responding to national threat levels (move to critical plans within the major) emergency plan Insufficient resilience in the face of a long-term event Multiple successive and/or simultaneously occurring events i.e. EU exit, Covid and a severe weather event 	<ul style="list-style-type: none"> Disruption to the community and to community services Inability to maintain Council services Excessive non-recoverable expenditure on response Loss of Council information Reputational damage Inability to adequately respond to multiple occurring events either separately or concurrently Insufficient staffing capacity to deal with a long term and/or major /or concurrent event(s) 	3	4	12	<ul style="list-style-type: none"> Cohort of trained officers on rota to formulate and co-ordinate the Council's emergency response (In place with a cohort of 8 trained senior managers on an 8 week on-call rota but see action below) District Major Emergency Plan (including BCP) in place (but see action below, currently being reviewed and updated) The Action Manager (TAM) to co-ordinate response effectively including documentation IT Disaster Recovery Plan in place (but see action below, currently being updated) Collaborative arrangements and plans agreed with other Category 1 and 2 responders, Town and Parish Councils, the voluntary sector and others Access to support resources from across the Council, including Direct Services Council is a member of the Kent Resilience Forum which gives access to expertise and resources Business continuity impact assessments undertaken identifying priority services Mutual aid provision via CCA 	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
Actions											
<ul style="list-style-type: none"> Review of DEC, Training, procedures to commence in April - <i>Training reviewed and courses underway for specialist officers. DEC being reviewed by consultant, new handbook in draft</i> Training of additional officers and to cover more roles - <i>In progress</i> Review MEP (from April 21) - <i>In place (v13) currently being reviewed and updated by consultant, v15 is a major update and draft should be available in January</i> Review of Disaster Recovery Plans - <i>New solution estimated to be in place Quarter 1 2022/23</i> 											
Available Assurance											
<ul style="list-style-type: none"> Internal Audit of Covid-19 response (reported December 2020) - Substantial assurance, but some medium priority actions for emergency planning Internal Audit of Emergency Planning - Substantial assurance (September 2022) 											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR11: Safeguarding - Failure to identify and act on a Safeguarding concern Lead Officer: Sarah Robson & Jim Carrington-West											
<ul style="list-style-type: none"> Failure by the organisation or a member of staff to take action to refer a child or vulnerable adult to the appropriate agency when we become aware that they may be at risk Failure to provide staff training and awareness of the organisation's safeguarding duties and processes <p>Increased interaction with potentially vulnerable children and adults</p> <p>Reductions or loss of resources, capacity and knowledge / expertise</p>	<ul style="list-style-type: none"> Could result in domestic homicide, suicide or other death, injury or continuing neglect, continuing modern slavery, human trafficking, terrorism Damage to public confidence and Council reputation 	3	4	12	<ul style="list-style-type: none"> Safeguarding Policy to be reviewed annually. Latest update 2022. Designated Safeguarding Officers trained every 2 years (June 2021 most recent) SMT safeguarding training annually, online staff training launched by the HR team. DBS checks in place for relevant staff Promotion of safeguarding to all staff through posters, Safeguarding newsletters and Grapevine Simple internal reporting arrangements in place for staff to report safeguarding issues A corporate Safeguarding Group to continually review and update policy and processes, and monitor strategic risk. Terms of Reference for the Group were reviewed and updated in October 2021 Workload management process and analysis kept up to date to ensure staff capacity to respond Staff trained as trainers Trained Designated Safeguarding Officers Frontline staff training undertaken in March and April 2022 New online referrals system to go live in 2022 Lead Chief Officer reports regularly to SMT Deputy Lead is also a Chief Officer Annual Section 11 Audits and assessments to provide external assurance Good working relationship with KCC and the Kent Safeguarding Boards 	1	4	4	1	4	4

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
					<ul style="list-style-type: none"> Safeguarding awareness included into the staff 'new starter' induction process. Safeguarding added as a standing agenda item to Procurement Working group and procurement guidance provided Launching a Staff Domestic Abuse policy Community Safety Partnership round table discussion for domestic abuse resulting in 12 month action plan. 						
Actions <ul style="list-style-type: none"> Safeguarding Group Terms of Reference reviewed and approved by SMT in October 2021. COMPLETE Safeguarding Policy reviewed and update. Being present for Council approval in early 2022. Complete Online referrals system being procured in partnership with KCC and 12 district/borough councils in Kent - due to go live imminently Designated safeguarding officers training being held in June 2021 - COMPLETE and added to controls above Reviewed external contracts to have a section on Safeguarding responsibilities - COMPLETE Managers and frontline staff safeguarding training completed in November/December 2021 - COMPLETE E-learning training programme being developed by HR for all staff and due to go live in early 2022. Complete Launch a task and finish group for violence against women and girls in October 2022 . 											
Available Assurance <ul style="list-style-type: none"> Internal Audit of Safeguarding issued November 2021 with Limited assurance Annual Section 11 Audit - last undertaken November 2020 Check with Sarah Kent and Medway Safeguarding Adults Board self-assessment framework completed June 2022 											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR12: Covid-19 - impact on SDC - The impact of the current pandemic on the ability to operate the Council effectively and to continue to provide services to residents and businesses Lead Officers: SMT											
<ul style="list-style-type: none"> Ability to provide a Covid-secure work environment Loss of staff through illness, self-isolation and shielding Impact on suppliers and partners Impact on Council finances and budgets Increased needs of residents and demands on services Managing new responsibilities to support residents and businesses Changing customer behaviour changes service demand Impact of new variants 	<ul style="list-style-type: none"> Loss of staff essential to the provision of services Temporary closure of council offices Temporary pause on Council services Insufficient budget to maintain all services Interruptions to supply chain causing disruption to services Insufficient resources to meet increased demand for new or existing services 	3	5	15	<ul style="list-style-type: none"> Representation on Kent Resilience Forum's SCG meeting to ensure latest Government and county guidance is disseminated. Ongoing engagement with partner organisations and groups e.g. Community Safety Partnership and Local Strategic Partnership Covid-19 Health and Safety Policy to implement and sustain a Covid-secure work environment in place and regularly reviewed Covid-19 health and safety risk assessments in place and regularly reviewed Business Continuity Plans in place to prioritise service delivery and allocation of council resources Tested and effective home working arrangements in place Flexible working practices adopted to assist colleagues with national or local measures such as school closures Increased cleaning and hygiene protocols and practices implemented 10 year budget in place, with effective budget monitoring to address short term impact on council finances Ability to seek alternative suppliers in the event of disruption to supply chains Effective use of technology to enable the continuation of officer and Member aspects of the organisation Prioritisation of Council services and consequent ability to redeploy resources Ability to bid for extra funding eg Leisure Fund 	2	4	8	2	4	8

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
					<ul style="list-style-type: none"> Scrutiny Committee Working Group looking at Covid-19 response 						
Actions None											
Available Assurance <ul style="list-style-type: none"> Internal Audit of Covid-19 Response and Recovery reported December 2020 - Substantial Assurance HSE Covid-19 inspection - robust arrangements in place Internal Audit of Covid-19 grant funding ongoing in 2021/22 											

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Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR13: Temporary Accommodation - Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homeless budgets. Lead Officers: Sarah Robson											
<ul style="list-style-type: none"> Changes in government funding Rising numbers of placements Impact on Council finances Increase in Covid-19 or rising cost of living related homelessness Increase in homelessness arising from the homes for Ukraine Scheme 	<ul style="list-style-type: none"> Failure to fulfil statutory obligations Impact on life chances and outcomes for individuals and families in temporary accommodation Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation) Pressure on other services 	4	4	16	<ul style="list-style-type: none"> Restructure of Housing Team completed. Temporary Accommodation Action Plan in place for the Housing team. Use of DLUHC’s annual Homelessness Prevention Grant to the organisation to prevent homelessness and support costs for temporary accommodation. Focus on preventing homelessness and diversion to alternative housing options through: <ul style="list-style-type: none"> - Launch of Xantura early intervention online prevention tool - Launch of Help to Let Scheme <ul style="list-style-type: none"> - Landlord and Tenancy advice, support and sustainment - Assistance, (including financial aid) to access the private rented sector - Access to employment and training - Debt, money, budgeting and welfare benefits advice, including assistance to resolve rent and mortgage arrears - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money Family incentive and mediation support to prevent homelessness and retain individual in the family home <ul style="list-style-type: none"> - Implementation of the Quercus Housing Business Plan to ensure the supply reduces the reliance on nightly paid accommodation 	3	4	12	3	4	12

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
					<ul style="list-style-type: none"> - Implementing the Homelessness Strategy - Incentive campaign 'Help to Let' for private sector landlords embedded and benefits being realised • Voluntary Relocation scheme. • Implementation of the Quercus Housing Business Plan to ensure the supply reduces the reliance on nightly paid accommodation. • Refreshing the Housing Strategy, with Council approval in 2022 • Implementing the Housing Strategy and Homelessness Strategy • Communications plans in place to promote good news stories and initiatives (InShape, social media). • Work with Housing Associations and temporary accommodation providers to secure additional accommodation units within the district. 						
<p>Actions</p> <p>Housing Strategy being reviewed and updated</p> <ul style="list-style-type: none"> • Refresh the Housing Allocations Scheme July 2022 • Deliver the Rough Sleeper Initiative funding action plan over the next three years • Bring Housing Register shortlisting in-house by November 2022 • Deliver the Rough Sleeping Accommodation program funding by launching 2 new housing schemes with West Kent Housing Association (Vine Court Road and Orchards Close) July 2022 											
<p>Available Assurance</p> <p>Internal Audit of Temporary Accommodation currently underway</p> <p>Monthly Homelessness Data Report to SMT and Cabinet Members</p>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR14 - Capital projects - not delivered to time, budget or quality Lead Officer: Adrian Rowbotham & Detlev Munster											
<ul style="list-style-type: none"> Lack of available funding to deliver planned schemes Ambitions do not align to viability or lack of consensus Lack of capacity to deliver capital projects (resources and skills available within the organisation) at all stages from initiation to completion Schemes go over budget Risk appetite is averse and opportunities are missed Schemes are progressed at the expense of asset maintenance programme Higher than assumed inflation levels Significant market volatility resulting in systemic risk 	<ul style="list-style-type: none"> Projects do not progress as planned Projects go over budget meaning that resources are diverted from other areas Delays to starting schemes Reputational damage if projects delayed or part completed Increased revenue impact could result in an unbalanced 10-year budget Projects may need to be re-prioritised and placed on hold at appropriate stages. 	3	5	15	<ul style="list-style-type: none"> Strategic Property Team in place and augmented depending on type of scheme presented Project Management and governance protocols in place Pre-feasibility and due diligence investigation undertaken prior to commitment of funds Capital programme set annually, approved by full council Bidding process for projects on capital plan Corporate / Strategic Programme Board - monitoring including viability reviews for individual projects Augment team with external specialist consultants (as necessary) Commence discussions with local Planning Authority as soon as possible Commence early consultation with key interested and affected parties Review of lessons learned logs from previous projects Revised schemes to be approved by Members A detailed capital programme process 	3	4	12	2	4	8

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
Actions <ul style="list-style-type: none"> • Investigate viability and funding options, currently looking at different delivery models - in progress • Investigate appropriate project insurance - ongoing on a scheme by scheme basis • Continue to check on lessons learned from previous projects - ongoing • Looking at ways to cap and collar inflationary pressures being done on case by case basis through shadowing exercises and adjusting procurement exercises - ongoing 											
Available Assurance All projects have external consultants to provide reports which inform decision making.											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
SR15 - Net Zero 2030 - Failure to achieve carbon neutral											
Lead Officer: Richard Morris											
<ul style="list-style-type: none"> Technology does not sufficiently advance to allow the Council to replace fleet Technology is too expensive to allow the Council to replace fleet Cost of work to Council assets (prohibitive) Retrofitting of assets not technically feasible Delay in delivering actions and projects beyond 2030 Lack of adequate funding 	<ul style="list-style-type: none"> Reputational damage Environmental enhancements not achieved Political impact Financial impact on 10-year budget Inability to sufficiently fund schemes 	4	4	16	<ul style="list-style-type: none"> Cross Member Working Group Officer Working Group Monitoring and political oversight Training and skills development through best practice groups Net Zero fund Net Zero Action Plan has been agreed by Members Progress against actions is monitored by Cleaner & Greener Committee quarterly 	3	3	9	2	3	6
Actions											
Net Zero Action Plan											
Preparation of carbon reduction plan											
Available Assurance											
Net Zero 2030 a standing agenda item on Cleaner and Greener Portfolio briefings and Advisory Committee											
Net Zero Internal Audit due 2022/23											

Strategic Risk Radar

Long-term horizon scanning allows us to be aware of key risks which are, as yet, too uncertain to assess or quantify. By keeping our eye on and tracking these issues we are able to draw them down into the strategic risk register when the timing is right. Having a longer-term view of strategic risk also enables us to be aware of local, sector-wide and even global issues. The bullet points below shows some of issues we are keeping on our radar.

2022/23

- Climate Change
- Legislation Changes
- Regeneration Projects
- Cost of living
- Inflation
- Ukraine war
- Political change
-

2023+

- Aging Population
- Advancing Technologies
- Infrastructure
- Impact of KCC's budget cuts on SDC
- Business Rates Retention
- Regional reorganisation

Sevenoaks Impact Matrix

	Financial	Service Delivery & Capability	Reputation	Legal & Regulatory	People & culture
Impact Headings	<i>Relating to uncontrolled expenditure or loss of income</i>	<i>Relating to operational delivery of services / objectives</i>	<i>May cause harm to public confidence or embarrassment</i>	<i>Related to breaches of law, rules or governance</i>	<i>May impact negatively on our workforce, culture or values</i>
Critical (5)	Uncontrolled financial losses in excess of multiple £m's	Failure to deliver <i>statutory</i> service / service disruption for >14 days	National adverse publicity perceived as failing in a significant area of responsibility	Breach of law, regulations leading to significant sanctions Breakdown of governance / internal control resulting in fraud	Significant staff dissatisfaction / increased long term absence & staff turnover Loss of culture and value framework
Major (4)	Uncontrolled financial losses in excess of £1m+ overspend in budget by >£1m+	Unable to deliver <i>discretionary</i> service / service disruption for >14 days	Sustained negative local media attention & damage to public confidence	Breach of law or regulation leading to some sanction Breakdown of internal controls open to abuse	Adverse staff dissatisfaction / likely increased absence and turnover of staff Negative impact on culture & value framework
Moderate (3)	Uncontrolled financial losses between £500k - £1m / overspend in budget by >£500k	Unsatisfactory service performance / service disruption of >5 days	Isolated negative local publicity	Breach of regulation or internal standard (limited sanctions) Isolated internal control weaknesses	Declining staff dissatisfaction Isolated instances of behaviours outside of value framework
Minor (2)	Uncontrolled financial losses between £100k - £500k / overspend in budget by >£100k	Reduced service delivery / service disruption for 7 hours	Local publicity, but manageable through communication channels	Breach of internal policies Internal controls partially effective	Isolated areas of staff dissatisfaction / likely impact on absence and turnover
Minimal (1)	Uncontrolled financial losses less than £100k / overspend in budget less than £100k	Disruption managed within normal day to day operations	Unlikely to cause adverse publicity	Breaches of internal procedures / working practices	Loss of staff morale but unlikely to result in absence or turnover of staff

Audit Committee 2022/23 - Work Plan (as at 07/09/2022)

	22 September 2022	24 January 2023	28 March 2023
Internal Audit (Irregularities to be reported confidentially as & when necessary)	Internal Audit Progress Report 2022/23	Internal Audit Progress Report 2022/23	Internal Audit Progress Report 2022/23 Internal Audit Plan 2023/24
Accounts and External Audit		External Audit Findings Report 2020/21 External Audit - Housing Benefit Subsidy 2020/21 External Audit - Annual Audit Plan 2021/22 Statement of Accounts 2021/22 External Audit - Housing Benefit Subsidy 2021/22	
Other	Members Allowance Scheme Monitoring Strategic Risk Register	Chairman's Audit Committee Report to Council	Chairman's Audit Committee Report to Council Strategic Risk Register

	22 September 2022	24 January 2023	28 March 2023
Members Development Briefings	Members Development Briefing - understanding Local Government Accounts		