

16 April 2024 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks

Published: 08.04.24



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[https://www.youtube.com/channel/UCIT1f\\_F5OfvTzjZk6Zqn6g](https://www.youtube.com/channel/UCIT1f_F5OfvTzjZk6Zqn6g)

# Audit Committee

## Membership:

Chairman, Cllr. Penny Cole; Vice-Chairman, Cllr. Edwards-Winser  
Cllrs. Baker, Clayton, Haslam, Lindop, Malone, Robinson and Williamson

## 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. <b>Minutes</b> To agree the Minutes of the meeting of the Audit Committee held on 1 February 2024, as a correct record.	(Pages 1 - 4)	
2. <b>Declarations of Interest</b> Any declarations of interest not already registered.		
3. <b>Actions from Previous Meeting (if any)</b>		
4. <b>Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations (if any)</b>		
5. <b>Audit Committee - Member Development</b>	(Pages 5 - 6)	Alan Mitchell Tel: 01732 227483
6. <b>Internal Audit Progress Report 2023/24</b>	(Pages 7 - 16)	Jennifer Warrillow Tel: 01732 227053
7. <b>Internal Audit Plan 2024/25</b>	(Pages 17 - 26)	Jennifer Warrillow Tel: 01732 227053
8. <b>Strategic Risk Register</b>	(Pages 27 - 64)	Jennifer Warrillow Tel: 01732 227053

- |     |  |                 |                                       |
|-----|--|-----------------|---------------------------------------|
| 9.  | <b>Independent Members Terms of Office</b> | (Pages 65 - 68) | Adrian Rowbotham<br>Tel: 01732 227483 |
| 10. | <b>Work Plan</b>                           | (Pages 69 - 70) |                                       |

**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](mailto:democratic.services@sevenoaks.gov.uk).

Audit Committee

Minutes of the meeting held on 1 February 2024 commencing at 7.00 pm

Present: Cllr. Penny Cole (Chairman)

Cllr. Edwards-Winser (Vice-Chairman)

Cllrs. Baker, Haslam, Lindop, Malone, Robinson and Williamson

Mo Chughtai (Co-opted non-voting Member)

An apology for absence was received from Cllr. Clayton and Lynda McMullan (Co-opted non-voting Member)

Cllr Clayton was in attendance via a virtual media platform.

27. Minutes

Resolved: That the Minutes of the Audit Committee held on 5 October 2023, be approved and signed by the Chairman as a correct record.

28. Declarations of Interest

There were no additional declarations of interest.

29. Actions from Previous Meeting

The actions were noted and Members were advised that the Council had no properties with RAAC.

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

There were none.

31. Audit Committee Member Development

Resolved: That the training be postponed to the next meeting of Audit Committee, due to officer sickness.

32. Internal Audit Progress Report 2023/24

The Audit Manager presented the report which set out the progress findings, and key insights from delivery on the Internal Audit Plan. It also updated Members on the implementation of actions raised as part of the Audit Team's work and on the performance of Internal Audit through key performance indicators. The new trainees

## Agenda Item 1

### Audit Committee - 1 February 2024

continued to develop and had passed their first exams. It was anticipated the new Lead Auditor would start in late spring.

She advised that progress had been made on the Audit Plan. A further two audits had been completed and progress had been made on an additional nine audits. However, having reviewed the progress against the plan, given the limited staffing resources not all of the audits anticipated would be completed. It was recommended to remove some of the audits from the plan, including the treasury management audits, and the performance management audit. The executive summaries of the two completed audits were set out in the appendix and the actions on those were not yet due to be completed but would be followed up when the implementation dates were due.

Members asked questions of clarification regarding contract management, transparency and risk mitigation. Members were advised that all of the actions in the table on the summary related to the issues raised and as per all of the audits, there was an allocated responsible officer to implement the actions and the dates they are due. The dates had not yet fallen due and would follow up after that date as part of the follow up reporting. A sample test of contracts was undertaken and examined a cross section of sizes of contracts. The larger contracts appeared to be managed appropriately. The inconsistency was with the smaller contracts, although it was a limited assurance audit, that it was because the higher level contracts were being managed well.

Members asked questions regarding resources and the impact on audits. Members were advised that when the reassessment of work was undertaken, consideration of a number of factors, including staff working days and dates of completion to ensure sufficient time before the final report. Members were advised that having given consideration to all of the relevant factors, it was not possible to achieve what was hoped to have been achieved. Part of this included the delays and carry overs from the previous years, and the impact of the vacancies of not having the team fully staffed. The higher priority risk audits were being completed. Staff vacancies were on the strategic risk register and were being managed.

Resolved: That

- a) The report be noted; and
- b) The deferral of 3 high priority audits to the 24/25 audit plan, be approved.

### 33. Risk Strategy report

The Audit Manager presented the report which set out the proposed Risk Management Strategy for adoption. The strategy was based on the latest good practice and would assist the Council to effectively manage risks to the achievement of its objectives, both in terms of reducing threats to an acceptable level and maximising available opportunities. It sets out the role & responsibility and the

structures for providing effective risk management. There were no significant changes since the last report but a lot of work had gone into place to ensure that the strategy correlated to what was in place within the Council.

Members took the opportunity to ask questions of clarification regarding risk appetite and operational risk registers and good practice. In response to questions Members were advised that Managers were reminded to review their risk register and the Audit Manager had the overview of the register. Staffing was an issue that crossed multiple teams and was on the strategic risk register. The Committee was reassured that Sevenoaks and Dartford Councils were fully supportive with the staffing issue and it was recognised that it was not just limited to the authorities but it was a national issue.

Resolved: That the Risk Management Strategy be approved.

34. Work Plan

Members discussed the work plan, and it was noted that the Member Development session on understanding local government accounts would come to the next meeting.

THE MEETING WAS CONCLUDED AT 7.45 pm

CHAIRMAN

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**AUDIT COMMITTEE MEMBER DEVELOPMENT – UNDERSTANDING LOCAL GOVERNMENT ACCOUNTS**

**Audit Committee – 16 April 2024**

<p><b>Report of:</b> Deputy Chief Executive and Chief Officer – Finance and Trading</p> <p><b>Status:</b> For Consideration</p> <p><b>Key Decision:</b> No</p> <p><b>Portfolio Holder:</b> Cllr. Kevin Maskell</p> <p><b>Contact Officer(s):</b> Adrian Rowbotham, Ext. 7153 Alan Mitchell, Ext. 7483</p> <p><b>Recommendation to Audit Committee:</b></p> <p>(a) The member development be noted.</p> <p>(b) Confirm the member development subject for the next meeting.</p>
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**Introduction and Background**

- 1 At the Audit Committee on 4 July 2023 Members received their first member development session and resolved that the Chief Officer - Finance and Trading in consultation with the Chairman devise a timetable for future training sessions and review Member training as required.
- 2 Members also supported the suggestion that each member development session would last roughly twenty minutes and be included as the first main agenda item.

**Audit Committee Member Development Programme**

- 3 Member development that has taken place since the current committee was formed is as follows:

<b>Committee Date</b>	<b>Member Development</b>
4 July 2023	<ul style="list-style-type: none"> <li>• Organisational Knowledge</li> <li>• Audit Committee Role and Function</li> <li>• Governance</li> </ul>
5 October 2023	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>

- 4 Following consultation with the Audit Committee Chairman, the following programme has been agreed:

## Agenda Item 5

Committee Date	Member Development
16 April 2024	<ul style="list-style-type: none"><li>• Understanding Local Government Accounts</li></ul>
TBC	<ul style="list-style-type: none"><li>• External Audit</li><li>• Internal Audit</li><li>• Counter Fraud and Whistle Blowing</li></ul>

- 5 Members will have the opportunity to discuss future requirements at each meeting.

### 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**



## INTERNAL AUDIT PROGRESS REPORT

Audit Committee - 16 April 2024

**Report of:** Audit Manager

**Status:** For Consideration

**Also considered by:** None

**Key Decision:** No

**Portfolio Holder:** Cllr. Kevin Maskell

**Contact Officer:** Jennifer Warrillow, Ext. 7053

**Recommendation to Audit Committee:**

Note the contents of the report

**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.

### 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 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

### Key Implications

#### Financial

There are no direct financial implications associated with this report.

## Agenda Item 6

### 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 2023/24 Audit Plan.

#### **Appendices**

Appendix A - Internal Audit Progress Update

#### **Background Papers**

[Internal Audit Plan 2023/24](#)

**Jennifer Warrillow**

**Audit Manager**

**DARTFORD & SEVENOAKS AUDIT PARTNERSHIP**

# **Internal Audit Update Report**

**16 April 2024**



## Agenda Item 6

### 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 2023.
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 3 are provided in **Annex A**.

### Internal Audit Progress Update

4. Our Trainees have settled in well and have started their apprenticeships with Birmingham City University. In addition to the university study, we are supporting them through mentoring and a gradual introduction to the internal audit process.
5. We have had a Lead Auditor vacancy since May 2023 and several previous recruitment exercises have unfortunately been unsuccessful. We are in consultation with Human Resources to decide on the best way forward with this post in order to provide adequate capacity as well as skills and knowledge within the team.
6. The table below provides the current status of the audits currently underway:

Audit Title	Current Status/Assurance rating
Community Mobilisation (Better Together)	Complete/Substantial
HUG1 grant claim verification	Complete
Revenues & Benefits Discretionary Powers	Complete/Substantial
IT Service Desk	Draft Report
Capital Project Management	Draft Report
Continuous Staff Performance Monitoring	Review
Accounts Payable continuous assurance	Fieldwork
Sencio	Fieldwork
Subject Access Requests	Fieldwork
Disabled Facilities Grant	Fieldwork
Markets	Fieldwork
Household Support Fund	Planning
Health & Safety	Planning

7. Completion of these projects along with the projects completed earlier in the year will provide sufficient coverage to inform the overall opinion which will be brought to Audit Committee in July.

**Internal Audit Outcomes**

8. Since the last update report in February, we have completed a further 2 audits. I provide the summaries of the completed audits below along with their associated assurance ratings (definitions found at **Annex B**):

**Community Mobilisation – Issued March 2024**

**Substantial**

9. The objective of the audit was to review the effectiveness of controls over the governance and administration of the Better Together community hub. We found the controls in place are generally sound. The functionalities of the platform meet the requirements of the Council, as specified in their website specification document, and the tools and resources available from the site to assist residents and organisations are up to date. Our testing found all current content is in line with the terms of service, and there are controls in place to ensure the provider of the platform approves all content before publishing.

Priority Ranking	Number of audit actions	Actions agreed
Low	3	3
Advisory	1	1
<b>Total</b>	<b>4</b>	<b>4</b>

**Revenues & Benefits – Discretionary Powers – Issued March 2024**

**Substantial**

10. The objective of the audit was to seek assurance on the delegation and use of discretionary powers within Revenues & Benefits, particularly in relation to discretionary Housing payments, exceptional hardship payments, discretionary local business rates relief and Council Tax discretionary reduction scheme. We found the processes in place for the Council to exercise its powers and administer discretionary payments is sound. There are well documented policies and procedures in place for managing and handling discretionary payment applications. There is also a robust system of controls in place for processing the applications, which includes verifying claimant income and expenditure, and supplying additional supporting information in order to ensure the applicant meets the qualifying criteria.

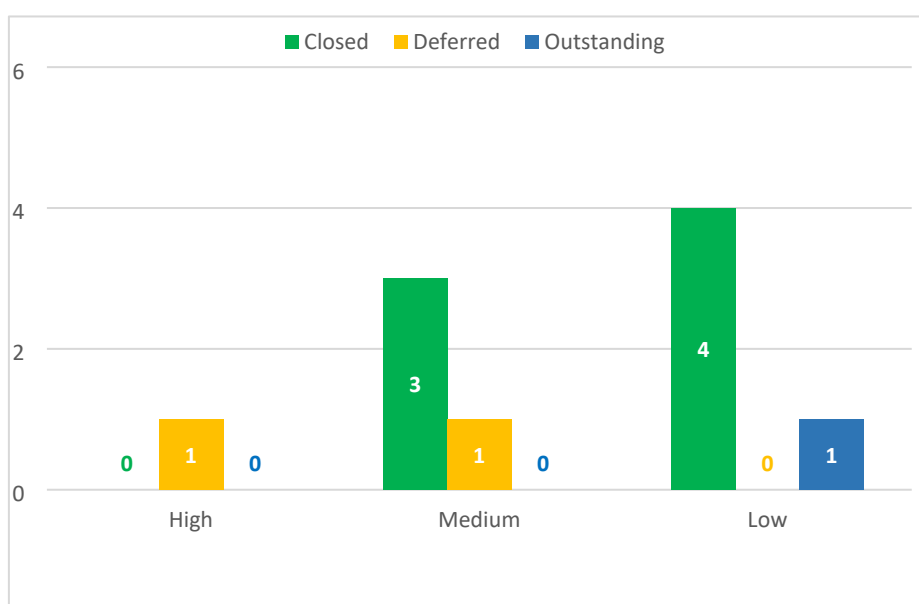
## Agenda Item 6

11. Our sample testing of 80 cases from across both Councils showed compliance with the documented procedures.

Priority Ranking	Number of audit actions
Advisory	2
<b>Total</b>	<b>2</b>

### Follow Up

12. 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 3 this financial year.



13. There were five high priority actions from the Procurement audit, which fell due during this period, three of these have been implemented, the remaining two have been deferred. The deferred actions include reviewing the resources and structures to support procurement within the Council and the other is to review supplier spend.
14. Both actions have made progress, with responsibility for procurement support being integrated into an amended post, which will be advertised shortly. Initial analysis has been completed in relation to supplier spend, though there is more work to be done to gain the most value from that exercise. An additional two actions which were not due to be followed up until April have also been implemented ahead of schedule.

### Internal Audit Performance

15. **Annex A** contains the results of our Performance Indicators (PIs) for Quarter 3 (October - December). Our PIs indicate an improvement in some areas, though there is still some

work to be done in relation to timeliness of audit delivery. Ensuring that our 3 new members of the team have been properly supported as they settle into their roles and gain experience required to undertake audits continues to have an impact on our performance as reported.

### **Conclusion**

16. While slower than desired, completion of prior year's audit work is almost complete. Work on the 2023/24 audit plan is progressing and I anticipate there will be sufficient audit coverage to inform the Chief Audit Executive Annual Opinion in July 2024.
17. 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 Q3 (October to December 2023)

Finance: Associated performance indicators	Q3 2023	Internal processes: Associated performance indicators	Q3 2023
<b>F1:</b> Percentage of budgeted days taken to complete projects – <i>Target 110%</i> Reported on a <b>cumulative</b> basis  Indicator measures any variance between the days agreed on the final brief vs. the actual time coded	131%	<b>I1:</b> Percentage of draft audit reports issued by the date given on the final audit brief - <i>Target 70%</i> Reported <b>quarterly</b>  Indicator measures the efficiency of our audit work and effective engagement between auditors and clients	0%
<b>F2:</b> Chargeable days – <i>Target 65%</i> Reported on a <b>quarterly</b> basis  Indicator measures the actual chargeable activities against the assumptions made in the audit plan	60%	<b>I2:</b> Average time taken between issue of the DRAFT report and FINAL report – <i>Target 15 working days</i> Reported <b>quarterly</b>  Indicator measures the effectiveness of our process to finalise audit reports and currency of reporting	34.5 days
Client satisfaction: Associated performance indicators	Q3 2023	Learning & Development: Associated performance indicators	Q3 2023
<b>C1:</b> Percentage of audits with real time service improvements – <i>Information only.</i> Reported quarterly  Indicator measures percentage of audits which result in service improvements identified and actioned during the audit process and not included in management action plans	0%	<b>L1:</b> Audit actions fully implemented within agreed timescales – <i>Target 80%</i> Reported <b>quarterly</b>  Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process	68%
<b>C2:</b> Respondents agreement with the audit actions – <i>Target 90%</i> Reported on a <b>project by project</b> basis  Indicator measures Client agreement to the audit findings and resulting actions from our audit work	86%	<b>L2:</b> Number of audits using data analytics tools – <i>Target 60%</i> Reported <b>quarterly</b>  Indicator measures our development of the use of data analytics to enable greater assurance to be provided.	33%

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**Annex B - Definitions of Assurance ratings:**

OPINION	DEFINITIONS
<p><b>Substantial Assurance</b></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><b>Reasonable Assurance</b></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><b>Limited Assurance</b></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><b>No Assurance</b></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>

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**INTERNAL AUDIT PLAN 2024/25**

**Audit Committee - 16 April 2024**

**Report of:** Audit Manager

**Status:** For Decision

**Also considered by:** None

**Key Decision:** No

**Portfolio Holder:** Cllr. Kevin Maskell

**Contact Officer(s):** Jennifer Warrillow, Ext. 7053

**Recommendation to Audit Committee:**

Approve the Internal Audit Plan 2024/25 (Appendix A)

**Reason for recommendation:** The Internal Audit Plan is a key component of an effective service delivery and the Audit Committee, as part of its governance and oversight role, reviews and approves this document.

**Introduction and Background**

- 1 This report provides the framework for Internal Audit activity in the 2024/25 financial year.
- 2 Following on from Internal Audit's mandate as depicted in the Charter, the risk-based Plan sets out how audit resources will be deployed throughout the year to enable an annual opinion to be provided on systems of risk management, governance and control. Updates on the delivery of the plan and findings of internal audit work will be reported throughout the year.
- 3 The outcome of all assurance pieces of work is a report which contains an overall opinion on the Council's governance, risk management and controls. This opinion will be presented in July 2025.

**Other options Considered and/or rejected**

None

**Key Implications**

Financial

There are no financial implications associated with this report. Delivery of the Plan will be met from existing budgeted resources.

## Agenda Item 7

### Legal Implications and Risk Assessment Statement.

Under the Account and Audit Regulations 2015, the Council must deliver Internal Audit services in accordance with the Public Sector Internal Audit Standards. The production of a risk-based Plan and a Charter are two requirements of these Standards. 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.

### **Conclusion**

Members are asked to approve the proposals for delivery of Internal Audit Services in 2024/25.

#### **Appendices**

Appendix A - Internal Audit Plan 2024-25

#### **Background Papers**

None

**Jennifer Warrillow**  
**Audit Manager**

**DARTFORD & SEVENOAKS AUDIT PARTNERSHIP**

# **Internal Audit Plan**

**2024/25**

**16 April 2024**

## **Sevenoaks District Council**



# Agenda Item 7

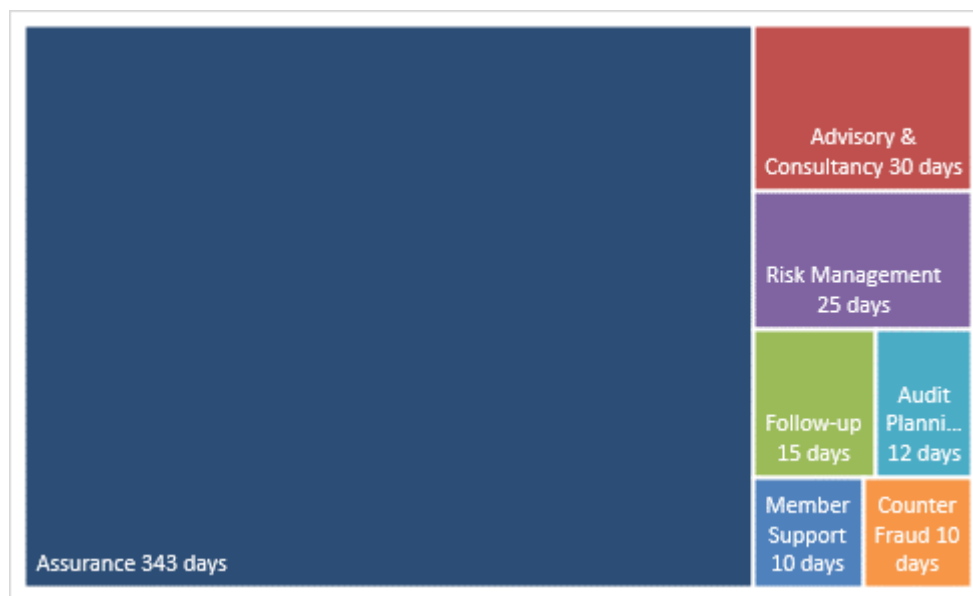
## Introduction

- 1) Under the Public Sector Internal Audit Standards (PSIAS), the Chief Audit Executive is required to develop a risk-based plan of work in order to ensure both that Internal Audit resources are used to best effect and that a robust overall opinion on systems of risk management, governance and control can be delivered at the end of the year.
- 2) The main objectives of the Internal Audit Plan are to:
  - Provide sufficient coverage in order to enable an overarching opinion at the end of the year on the overall effectiveness of systems of governance, risk management and internal control.
  - Be focused on key risks, and provide assurance on the Council's management of these.
  - Ensure that the organisation is adequately equipped to face future challenges and achieve strategic priorities.
  - Provide assurance on core systems and key controls.
  - Provide advice and consultancy services based on management requests, usually in relation to new and developing systems and processes.
- 3) In order to achieve these objectives, we have followed a detailed risk-based planning process. This has included review of corporate strategies and risk registers, meetings with all Service Managers, Chief Officers and the Chief Executive and consideration of the wider environment. We have taken into account how changes within the internal and external environments over the past year may have changed the risk profile of the Council as well as horizon scanning publications such as the [Institute of Internal Audit's Risk in Focus 2024](#) research.

## Resources

- 4) Standard 2030 – Resource Management, indicates that I must ensure that the internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan. Unfortunately, our latest effort to recruit a Lead Auditor was again unsuccessful and so there is still a gap in our structure, which affects both the appropriate and sufficient elements of this Standard. As a result, while I explore solutions to this issue, I will be looking to increase both capacity and capability within the team by looking to external sources for additional support.
- 5) Given the capacity of our current in-house team and our available budget for seeking external support, I have calculated the total days available in 2024/25 for audit work to be 445 per Council. This takes into account all resource, minus allowances for administrative tasks, leave and training. The proposed breakdown of how these 445 days will be used for Dartford is shown in the Chart below:

Chart 1 – Internal Audit resource



**Risk Based Plan**

- 6) Standard 2010 – Planning, states “The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation’s goals.” To achieve this, I have completed a risk assessment across the Council’s activities, taking into account the Council’s corporate risk register, Council Plan, provision of alternative assurance and recent internal audit activity. I have also met with senior officers as well as the Leadership Team to understand their expectations.
- 7) This risk assessment process enables me to identify key areas for inclusion into the audit plan for 2024/25 and in particular break down key areas which support the mitigation of the Council’s corporate risks and those which will support mitigation of operational risks.
- 8) Implementation guidance to support Standard 2010 advises that the audit plan should be flexible to allow the CAE to adapt the plan to changes to the Council’s business, risks, operations, programs, systems, and controls. To be able to achieve that flexibility, I am proposing that the audit plan become a rolling plan, which will give provision for audits for the coming 12 months and will be reviewed every 6 months.

**Assurance Work**

- 9) The table below lists suggested projects for the coming 12 months with an indication of whether the audit aims to provide assurance or consultation. The list provides more projects than is achievable to provide flexibility based upon risk profiles, availability and any other new information that may impact on a decision to complete an audit or not.

## Agenda Item 7

We aim to complete approximately two thirds of the list in order to provide adequate coverage to support the overall opinion in July 2025.

Audit Title	Engagement Type
<b>Authority Wide Projects</b>	
Performance Management	Assurance
Business Continuity	Assurance
Equalities	Assurance
<b>Finance &amp; Trading</b>	
Accounts Payable Continuous Assurance	Assurance
Treasury Management	Assurance
Revenue Budget Monitoring	Assurance
CCTV	Assurance
Recycling Performance	Assurance
Fees & Charges	Assurance
Parking Enforcement	Assurance
<b>Customer &amp; Resources</b>	
Council Tax Annual Billing	Assurance
Facilities Management	Assurance
Members Expenses & Allowances	Assurance
Facilities Management	Assurance
Corporate Complaints	Assurance
IT Audit Needs Analysis	Consultation
Absence Management	Assurance



Audit Title	Engagement Type
Learning & Development	Assurance
<b>People &amp; Places</b>	
Meeting Point	Assurance
Asset Management	Assurance
West Kent Partnership	Assurance
Private Sector Housing Landlord Complaints	Assurance
HERO	Assurance
Community Safety	Assurance
<b>Planning &amp; Regulatory</b>	
Community Infrastructure Levy	Assurance
Premises Licensing	Assurance
Licensing Partnership Hub	Assurance
Food Safety	Assurance

**Other Work**

- 10) As well as the suggested projects above, we have projected a further 70 days, which will be split out as indicated in the chart above to support other work streams such as counter fraud investigations, follow-ups, ad-hoc advice and guidance as well as grant verification work.

**Performance Indicators**

- 11) Our performance indicators remain unchanged from last year and are designed in order to allow us to monitor improvements in both our effectiveness and efficiency. The table over the page lists these out.

## Agenda Item 7

### Finance: Associated performance indicators

**F1:** Percentage of budgeted days taken to complete projects – *Target 110%*

Reported on a **cumulative** basis

Indicator measures any variance between the days agreed on the final brief vs. the actual time coded

**F2:** Chargeable days – *Target 65%*

Reported **quarterly**

Indicator measures the actual chargeable activities against the assumptions made in the audit plan

### Client satisfaction: Associated performance indicators

**C1:** Percentage of audits with real time service improvements – *Information only*

Reported **quarterly**

Indicator measures percentage of audits which result in service improvements identified and actioned during the audit process and not included in management action plans

**C2:** Respondents agreement with the audit actions – *Target 90%*

Reported **project by project**

Indicator measures Client agreement to the audit findings and resulting actions from our audit work

### Internal processes: Associated performance indicators

**I1:** Percentage of draft audit reports issued by the date given on the final audit brief - *Target 70%*

Reported **quarterly**

Indicator measures the efficiency of our audit work and effective engagement between auditors and clients

**I2:** Time taken between issue of the DRAFT report and FINAL report – *Target 15 working days*

Reported **quarterly**

Indicator measures the effectiveness of our process to finalise audit reports and currency of reporting

### Learning & Development: Associated performance indicators

**L1:** Audit actions fully implemented within agreed timescales – *Target 80%*

Reported **quarterly**

Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process

**L2:** Number of audits using data analytics tools – Target 60%

Reported **quarterly**

Indicator measures our development of the use of data analytics to enable greater assurance to be provided.

### **Other Activities**

- 12) During the year, we will be changing our audit management system having completed a procurement exercise recently. Currently, implementation of the new system is scheduled to start in May. We will be taking this opportunity to review the way we complete our work in order to improve both effectiveness and efficiency to improve the value we offer to the Council. This will affect delivery of audits in the first half of the audit year while the team familiarise themselves both with the new system and any changes to our processes.
- 13) Additionally, the Institute of Internal Auditors has recently published new Global Internal Audit Standards, which will come into effect from 9 January 2025. As a result, we will need to complete a gap analysis to identify where current practices do not meet the new Standards and produce a new Quality Assurance and Improvement Program to support compliance from January. We will look to incorporate this analysis with any changes we make to facilitate use of the new system. Additionally, we will be providing a summary of the changes in a report to Audit Board later in the year.
- 14) Both these projects have been factored into the resourcing calculations shown above.

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## STRATEGIC RISK REGISTER

Audit Committee - 16 April 2024

**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. Kevin Maskell

**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 October 2023. Since then, the register has been updated quarterly through individual meetings with risk owners and collective discussions at Strategic Management Team (SMT). The most recent update (March 2024) 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 July 2023. There have been no increases in risk scores since the last quarter.
- 4 Five risks are currently above the target score and actions are in place to reduce the current score accordingly:
  - a. SR02 Asset management & maintenance

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- b. SR05 Information & data management
- c. SR08 Health & Safety (incl. Staff Wellbeing)
- d. SR12 Capital Projects
- e. SR13 Climate Change

### 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 October 2023, there have been some 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

April 2024



## 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 2023 Score	September 2023 Score	December 2023 Score	March 2024 Score	Target Score	Net risk within target risk?
SR01	Finance	15 High	15 High	15 High	10 Medium	10 Medium	Yes
SR02	Asset management & maintenance	8 Medium	8 Medium	8 Medium	8 Medium	6 Low	No
SR03	Knowledge, capacity & culture	8 Medium	8 Medium	8 Medium	8 Medium	8 Medium	Yes
SR04	Technology	6 Low	6 Low	6 Low	6 Low	6 Low	Yes
SR05	Information & data management	9 Medium	9 Medium	9 Medium	9 Medium	6 Low	No
SR06	Legal compliance, governance & ethics	6 Low	6 Low	6 Low	6 Low	6 Low	Yes
SR07	Capacity of community partners	6 Low	6 Low	6 Low	6 Low	6 Low	Yes
SR08	Health & Safety (incl. Staff Wellbeing)	9 Medium	9 Medium	9 Medium	9 Medium	6 Low	No
SR09	Emergency planning & severe weather events	9 Medium	9 Medium	9 Medium	9 Medium	9 Medium	Yes
SR10	Safeguarding	4 Low	4 Low	4 Low	4 Low	4 Low	Yes
SR11	Temporary Accommodation	9 Medium	9 Medium	9 Medium	9 Medium	9 Medium	Yes
SR12	Capital Projects	12 Medium	12 Medium	12 Medium	12 Medium	8 Medium	No
SR13	Climate Change	9 Medium	9 Medium	9 Medium	9 Medium	6 Low	No
SR14	Cost of Living Pressures	6 Low	6 Low	6 Low	6 Low	6 Low	Yes

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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)	<b>SR10</b>				
Likelihood	Possible (3)		<b>SR14</b>	<b>SR05 SR08 SR09 SR11 SR13</b>	<b>SR12</b>	
Likelihood	Unlikely (2)			<b>SR04 SR06 SR07</b>	<b>SR02 SR03</b>	<b>SR01</b>
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	✓	✓	✓	✓	✓
02	Asset management & maintenance	8	✓		✓		✓
03	Knowledge, capacity & culture	8	✓	✓	✓	✓	✓
04	Technology	6	✓	✓	✓	✓	✓
05	Information & data management	9	✓	✓	✓	✓	✓
06	Legal compliance, governance & ethics	6	✓	✓	✓	✓	✓
07	Capacity of community partners	6	✓	✓	✓		✓
08	Health & Safety (incl. Staff Wellbeing)	9	✓	✓	✓	✓	✓
09	Emergency planning & severe weather events	9	✓	✓	✓	✓	✓
10	Safeguarding	4		✓	✓		
11	Temporary Accommodation	9	✓	✓	✓		
12	Capital Projects	12	✓		✓		✓
13	Climate Change	9		✓		✓	✓
14	Cost of Living Pressures	6	✓	✓	✓		✓

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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
<b>SR01: Finance - Failure to deliver a balanced budget</b> Lead Officer: <b>Adrian Rowbotham &amp; Alan Mitchell</b>											
<ul style="list-style-type: none"> <li>Limited opportunity to generate income through the business rates retention scheme and New Homes Bonus</li> <li>Effect of council tax referendum limits</li> <li>Low, decreasing and uncertain level of government grant</li> <li>Uncertainty of the timing and outcome of the Government spending and fair funding review</li> <li>Potential for negative government funding (local authority to make payments to Government)</li> <li>Effect of cost of external borrowing on the Council's budgets</li> <li>Loss of external funding</li> <li>Budget assumptions not accurate</li> </ul>	<ul style="list-style-type: none"> <li>Poor financial health</li> <li>Inability to maintain services and deliver Council Vision and Promises</li> <li>Requirement to issue S114 notice</li> <li>Reputational damage</li> <li>Negative impact on staff morale and potential recruitment and retention difficulties</li> <li>Poor outcome for the Audit of Accounts or Value for Money assessment</li> <li>Potential for increased intervention</li> <li>Reduced income or increased</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>Self-sufficient budget position; no reliance on direct government funding</li> <li>Long term 10-year budget framework including Savings Plan</li> <li>Flexible use of reserves</li> <li>Alternative funding source - Property Investment Strategy</li> <li>Strong financial and scenario planning over the short, medium and long term</li> <li>Effective budget setting and financial monitoring processes embedded</li> <li>Financial and budget risk management process in place</li> <li>Effective financial governance including reports to FIAC, Cabinet, Audit Committee and Scrutiny Committee</li> <li>Qualified and experienced officers in post</li> </ul>	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"> <li>Ability to identify increase in savings requirement to deliver a balanced 10-year budget</li> <li>Failure to meet savings targets</li> <li>Poor financial plans and strategies</li> <li>Ineffective financial governance</li> <li>Lack of capacity and skilled professionals within the finance team</li> <li>Failure to maintain proper financial and budgetary controls</li> <li>Change in customer demand (eg car parking) and expectation</li> <li>Inflation</li> <li>Treasury management returns below expectations.</li> <li>Under performance of property investment assets (SDC &amp; Quercus 7)</li> <li>Uncertain inflationary environment</li> <li>Pay award 2023/24 negotiations not yet agreed</li> <li>Failure of partners</li> <li>Recognising an increase in section 114 notices from other Councils</li> </ul>	<p>expenditure as a result of changing customer demands</p> <ul style="list-style-type: none"> <li>Treasury management change in approach may result in higher volatility of returns</li> <li>Inflationary expenditure increases exceeding income and funding increases</li> <li>Reduced property investment strategy income</li> </ul>				<ul style="list-style-type: none"> <li>10-year balance sheet</li> <li>3-year detailed cash flow</li> <li>Finance Procedure Rules in place (but see action below)</li> <li>2023/24 early indications financial report to FIAC &amp; Cabinet June 2023</li> <li>Effective financial governance of property investment strategy including reports to FIAC, Cabinet and Scrutiny Committee</li> <li>Regular Quercus 7 Board and Trading Board meetings</li> <li>Review of section 114 notices from other Councils.</li> </ul>						
<p><b>Actions</b></p> <p>Update Finance Procedure Rules - October 2023</p> <p>Budget setting process for 2024/25 will run from September to February which will include a detailed savings exercise - February 2024</p>											
<p><b>Available Assurance</b></p> <ul style="list-style-type: none"> <li>Counter Fraud assessment - of 52 sections, 19 Compliant, 21 Partially Compliant, 12 Not Met</li> <li>Internal Audit of ten year budget process issued September 2021 - 'Reasonable' assurance</li> <li>External Audit of 2020/21 financial statements</li> <li>External Audit value for money report for 2022/23</li> <li>Internal Audit of corporate credit cards - Completed in October 2021 with Limited Assurance</li> </ul>											

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"> <li>Internal Audit of Property Investment Strategy completed June 2022 with Reasonable assurance</li> <li>Ad hoc external consultants provide reports on state of the property markets</li> <li>Annual property investment valuation carried out by independent consultant, in line with CIPFA and RICS standards</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR02: Asset Management &amp; Maintenance - Losing the ability to:</b> a) Dispose of surplus land; b) Maintain and develop assets and land holdings; c) Secure tenants for vacant or part-vacant assets <b>Lead Officers: Adrian Rowbotham &amp; Detlev Munster</b>											
<ul style="list-style-type: none"> <li>Lack of finance to deliver asset management plans and maintenance programmes</li> <li>Lack of capacity to appropriately manage, maintain and invest in the council's assets</li> <li>Failure to maximise the benefit from asset disposals</li> <li>Lack of tenants to occupy vacant or part-vacant assets</li> <li>Lack of buyers for surplus Council land</li> <li>Failure to adopt effective governance procedures</li> <li>Project management skills to ensure cost effective and robust developments</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in asset values placing increased pressure on council budgets</li> <li>Failure to maximise the opportunity to raise income from investment in assets</li> <li>Increased insurance premiums</li> <li>Adverse impact on service delivery</li> <li>Loss of investment or income opportunities</li> <li>Reputational damage</li> <li>Closure of public assets and loss of community facilities</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Property / Asset Register (record of land in Council ownership)</li> <li>Asset maintenance budgets reviewed annually</li> <li>Ongoing strategic review of council owned property</li> <li>Inventory registers in place</li> <li>Financial procedure rules in place (but see action below)</li> <li>Economic Development &amp; Property team in place</li> <li>Professional, external advisers engaged to support the development of strategies and fill skills and capacity gaps</li> </ul>	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"> <li>Failure to identify partners to take forward projects and initiatives</li> <li>Loss of contracted providers to manage and operate assets</li> <li>Covid-19 / Economic conditions - ability to find or retain tenants, collect lease or rental income, reduction in asset values (systemic risk)</li> <li>Lack of suitable skills or sufficient capacity</li> <li>Inadequate Property/Asset Register held by SDC and other statutory bodies</li> <li>Legislative and regulatory changes resulting in novel work areas needing to be completed which have not been budgeted for (RAAC and MEES).</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Landlord liabilities associated with poorly maintained assets (tenants and corporate buildings) - cross refer to SR09</li> </ul>				<ul style="list-style-type: none"> <li>Capital Programme and Asset Maintenance plan in place</li> <li>Surveys of all Council buildings completed and reflected in Asset Maintenance plan</li> <li>Long term leases in place with providers with regular monitoring</li> </ul>						
<b>Actions</b> <ul style="list-style-type: none"> <li>Prepare and periodically review Asset Management Plan - April 2024</li> <li>Disposals policy to be approved and decision on property procedure rules awaited - October 2023</li> <li>Update Asset Register - in progress and has become a higher priority due to ongoing issues being identified - April 2024</li> <li>RAAC risk assessments being undertaken following Government guidance - Current</li> </ul>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>Internal Audit of Corporate Landlord Liabilities - Limited Assurance (July 2022)</li> </ul>											

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<b>SR03: Knowledge, capacity &amp; 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</b> <b>Lead Officer: Jim Carrington-West &amp; Diana Chaloner</b>											
<ul style="list-style-type: none"> <li>Continuing reductions to Council budgets</li> <li>National and local pay constraint</li> <li>Increasing cost of living</li> <li>Inability to employ and retain high quality staff</li> <li>Increased demand for services and high levels of work with reduced capacity and resources</li> <li>Requirement for new skills to deliver the Council's Corporate Plan promises</li> <li>Lack of capacity within the Human Resources team to develop policy and support the workforce</li> <li>Ineffective succession planning</li> <li>High staff turnover</li> <li>Loss of IIP Platinum status</li> <li>Impact of Covid-19 on working practices and greatly increased working from home</li> </ul>	<ul style="list-style-type: none"> <li>Lack of resources to employ, develop and support the wellbeing of staff</li> <li>Impact of poor mental health across the organisation</li> <li>Reduced morale and staff satisfaction</li> <li>Reduced productivity</li> <li>Reduced quality of staff and work / services</li> <li>Unable to recruit or retain high quality staff</li> <li>Increased absence levels</li> <li>Unable to continue to deliver the range and quality of services currently experienced</li> <li>Skills gaps that inhibit the ability to deliver Council projects</li> <li>Reputational damage as an employer and a service provider</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>10-year budget minimises the need for short notice changes to the workforce</li> <li>Recruitment and retention policies</li> <li>Managing Attendance Policy supported by return to work and staff wellbeing initiatives</li> <li>Staff Appraisal Scheme and Personal Development Plans further enhanced by the introduction of the Clear Review system</li> <li>Regular Staff Surveys and Investors in People Assessments to benchmark effectiveness as an employer</li> <li>Management and Staff Development programmes to support staff and protect the organisational culture</li> <li>Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps</li> <li>Investors in People Platinum status maintained (re-assessed in January 2023), demonstrating the Council is a high quality employer</li> <li>Re-evaluated HR strategies, training, development and retention plans and internal</li> </ul>	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"> <li>• Introduction of new Workforce strategy</li> <li>• New LMS launched</li> <li>• Training and support around financial planning and wellbeing package to support staff in coping with cost of living crisis</li> </ul>						
<b>Actions</b> <ul style="list-style-type: none"> <li>- Mentoring and support for new starters as part of their induction will be improved (April 2024)</li> <li>- Will be offering coaching to new managers (April 2024)</li> <li>- In depth scrutiny working group looking at recruitment and retention (July 2024)</li> </ul>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>• Investors in People Platinum status (re-assessed January 2023)</li> <li>• Internal Audit of ten-year budget strategy reported September 2021 - 'Reasonable' assurance</li> <li>• Internal Audit of appraisals - completed in October 2021 with 'Reasonable' assurance</li> <li>• Internal Audit Staff Wellbeing completed November 2022 'Reasonable' assurance</li> </ul>											



Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<b>SR04: Technology - The Council's Information Technology doesn't meet the needs of the Council, Members, Officers and the local community</b> <b>Lead Officer: Jim Carrington-West &amp; Amy Wilton</b>											
<ul style="list-style-type: none"> <li>Lack of finance to effectively procure and develop IT infrastructure and solutions across the Council</li> <li>Lack of capacity and skilled professionals to procure, implement and develop IT infrastructure and solutions across the Council</li> <li>Failure to identify areas where IT solutions could improve service delivery and reduce costs</li> <li>Failure to implement robust IT security arrangements in existing and new infrastructure and software</li> <li>Failure to meet the demands of partnership working in the delivery of solutions and on-going IT support</li> <li>Poor data management preventing the implementation of new services</li> <li>User base may not have sufficient broadband to work from home</li> </ul>	<ul style="list-style-type: none"> <li>Failure to effectively deliver Council services and objectives</li> <li>Failure to benefit from the service efficiencies good use of IT would deliver e.g. channel shift, demand management, digital services</li> <li>Failure to maximise the cost savings and value for money efficient use of IT would deliver</li> <li>Security lapse could compromise the Council IT network and render systems inoperable</li> <li>Data loss</li> <li>Reputational damage</li> <li>Failure to deliver projects within required timescales</li> <li>Failure to provide adequate day to day support to customers</li> <li>Failure to prioritise projects effectively as</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>IT Security Policy recently updated</li> <li>Business Continuity Plan</li> <li>Disaster recovery plans in place</li> <li>Network security measures in place including firewall and access level controls</li> <li>Procurement practices in place within the IT Service</li> <li>Experienced staff in post</li> <li>Effective budget setting and financial monitoring processes embedded</li> <li>Officer groups in place to support progress of digital services</li> <li>Ability to work in office or to deploy applications via Citrix or RDS</li> <li>Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps</li> <li>Digital Strategy</li> <li>Core server infrastructure including back-up infrastructure area recently updated</li> <li>Wifi in the building recently improved</li> </ul>	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										
<b>Actions</b>											
<ul style="list-style-type: none"> <li>Conducting an in-depth review of the disaster recovery and business continuity plans and how they would be actioned in practice, including the systems that support these plans - Timescale to be determined.</li> </ul>											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>Internal Audit of IT Governance October 2022 with Reasonable assurance</li> <li>LGA Cyber Security Review</li> <li>Central Digital and Data Connection Officer PSN certificate received September 2023 and valid until August 2024</li> </ul>											

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Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<b>SR05: Information &amp; Data Management - Failure to properly protect, preserve and make best use of the data and information resources that the Council holds</b> <b>Lead Officer: Jim Carrington-West &amp; Martin Goodman</b>											
<ul style="list-style-type: none"> <li>Lack of capacity or skills within the workforce to implement a knowledge management system</li> <li>Lack of IT capacity to support a knowledge and information management system</li> <li>Ensuring compliance with the requirements of the Code of Connection</li> <li>Ensuring security levels are appropriate to protect data and information without preventing effective and efficient service delivery</li> <li>Breach / non-compliance with General Data Protection Regulations (GDPR)</li> </ul>	<ul style="list-style-type: none"> <li>Breach of regulations and potential for significant financial penalties</li> <li>Impact on residents / customers</li> <li>Failure to meet the Council's objectives</li> <li>Failure to continue to deliver high quality services across the Council</li> <li>Increased costs from recruitment and staff training</li> <li>Negative impact on the organisation's culture and on staff morale</li> <li>Reputational damage</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps</li> <li>Data Protection policies in place and available to all staff</li> <li>Training for all staff on Data Protection</li> <li>IT policies in place</li> <li>Annual assessment against the Code of Compliance</li> <li>Disaster recovery plans in place</li> <li>Business Continuity Plan in place</li> <li>Information Governance Policy endorsed by SMT</li> <li>Digital strategy</li> <li>Actions from Cyber Security Audit implemented</li> <li>Core IT infrastructure recently updated</li> </ul>	3	3	9	2	3	6
<b>Actions</b> <ul style="list-style-type: none"> <li>Conducting an in-depth review of the disaster recovery and business continuity plans and how they would be actioned in practice, including the systems that support these plans - Timescale to be determined.</li> <li>Improvements to data back-up in progress as a result of funding from DLUC</li> </ul>											

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<p><b>Available Assurance</b></p> <ul style="list-style-type: none"> <li>• LGA review of cyber security</li> <li>• Annual penetration testing - covered with LGA review as above</li> <li>• PSN certificate received September 2023, valid until August 2024</li> <li>• Monitoring Officer monitors compliance with DP training using system reports</li> <li>• Internal Audit of Information Security completed June 2022 with Reasonable assurance</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR06: Legal compliance, governance &amp; 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</b> <b>Lead Officer: Jim Carrington-West &amp; Martin Goodman</b>											
<ul style="list-style-type: none"> <li>Lack of capacity in the workforce to identify and adhere to legislative changes</li> <li>Lack of finance to adjust to changes in legislation</li> <li>Lack of Member or Senior Management support to deliver service changes in response to new legislation</li> <li>Breakdown in relationships between Members and Officers</li> <li>Lack of capacity and skilled professionals within the Legal, Democratic and Internal Audit teams</li> <li>Lack of financial resources to deliver high quality governance arrangements</li> <li>Governance arrangements which may not provide effective oversight of shared service arrangements</li> <li>Lack of skills and resources to provide Counter-Fraud and Corruption service</li> <li>Ineffective support for Councillors in relation to governance, legal compliance and ethics</li> <li>Procurement undertaken outside of / in breach of the Rules</li> </ul>	<ul style="list-style-type: none"> <li>Failure to fulfil statutory duties resulting in government intervention and an increase in legal liabilities</li> <li>Failure to continue to deliver high quality services</li> <li>Increase in customer complaints and falling satisfaction levels</li> <li>Increase in incidences of fraud and error</li> <li>Failure to maximise the opportunities changes to legislation may bring</li> <li>Ineffective political and management leadership</li> <li>Ineffective scrutiny of decision making and performance</li> <li>Failure to deliver statutory requirements including an up to</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Dedicated in house Legal team with qualified and experienced officers in place</li> <li>Professional managers within service areas (Council-wide)</li> <li>Council's Constitution including Codes of Conduct, Officer / Member Protocol and Standards regime</li> <li>Cabinet and Committee Structure including Advisory, Governance, Audit, Scrutiny &amp; Standards Committee's</li> <li>Monitoring Officer and Section 151 officers in post</li> <li>Effective budget setting and financial monitoring processes embedded</li> <li>Annual review of Committee Terms of Reference</li> <li>Members Handbook and Training</li> <li>Annual Governance Statement and action monitored and plan reported to Audit Committee</li> <li>Risk management framework recently updated</li> </ul>	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"> <li>• Reputational damage</li> </ul>										
<b>Actions</b>											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>Internal Audit of Members Allowances and Expenses reported September 2021 - Substantial assurance</li> <li>Internal Audit review of AGS returns</li> <li>Internal Audit of Legal Case Management completed June 2022 with Limited assurance</li> <li>Internal Audit of IT Governance completed October 2022 with Reasonable assurance</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR07: Capacity of Community Partners - The impact of austerity and reduced public spending on the workloads and budgets of community partners and the voluntary sector</b> <b>Lead Officer: Sarah Robson</b>											
<ul style="list-style-type: none"> <li>• Reductions in Government funding of partners such as housing, health, leisure, Kent County Council (KCC), Police and Fire and Rescue Services.</li> <li>• Significant annual budget savings being proposed by public services operating locally, including KCC and NHS, which may impact community partners and voluntary sector.</li> <li>• Increased demand on partner resources and services as a result of rising cost of living, against historic reductions in government funding</li> <li>• Changes to the way Government grant is distributed inhibiting the delivery of local priorities e.g. health funding</li> <li>• Reductions in Council grant constraining the funding available for community grants</li> <li>• Reduction in the number of voluntary sector organisations operating in the District as a result of funding difficulties or lack of willing volunteers.</li> <li>• Loss of community partners</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to deliver the priorities and actions set out in the Community Plan, Community Safety Action Plan and Health and Wellbeing Action Plan</li> <li>• Cost shunt of customer demand to local services is unsustainable</li> <li>• Unable to deliver on the priorities and actions set out in the Council's health and housing strategies</li> <li>• Increased hardship in the District</li> <li>• Loss of partner organisations and assistance in the District</li> <li>• Greater health inequalities across the District</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>• Robust budget setting processes in place which consider the benefits of the Council's community grant scheme and Service Level Agreements</li> <li>• Representation on the Kent Voluntary and Community Sector Strategic Partnership Board</li> <li>• Continue regular interaction with advisers at DLUHC</li> <li>• Service Plans being adapted and delivered</li> <li>• Internal and external working groups established to address financial hardship</li> <li>• Ability to attract external funding to sustain community projects</li> <li>• Strong relationships with local community and voluntary groups</li> <li>• Community Awards Scheme to celebrate the success of local residents and community projects and promote the benefits of volunteering</li> <li>• Local Strategic Partnership delivery of the Community Plan, supported by the Community Wellbeing Fund funding local organisations and initiatives responding to</li> </ul>	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
					the impact of the cost of living <ul style="list-style-type: none"> <li>Robust monitoring process in place for Service Level Agreements and Grants to ensure outcomes are being achieved. Processes and controls under review.</li> <li>Voluntary Sector Forum established for the District</li> <li>Annual barometer survey of voluntary sector organisations operating in the District</li> <li>Working in partnership with Imago to increase volunteers in the District</li> <li>Delivery of x2 volunteer fairs each year</li> <li>Partnership Agreement in place and monitored with West Kent Housing Association</li> <li>Funding Agreement with Kent Public Health to deliver One You programme in the district to address health inequalities.</li> </ul>						
<b>Actions</b> Undertake annual voluntary sector barometer survey											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>Internal Audit consultancy review of Community Grants reported September 2021</li> <li>Audit Review of Better Together (2024) - Substantial Assurance</li> <li>Sevenoaks District Voluntary Sector Forum</li> <li>Community Grants and LSP Community Wellbeing Fund</li> <li>Service Level Agreements in place with key voluntary sector partners</li> </ul>											



Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR08: Health &amp; Safety - Breach / non-compliance with Health &amp; Safety legislation and practices resulting in harm to workforce</b>											
<b>Lead Officer: Jim Carrington-West and Nick Chapman and Trevor Kennett</b>											
<ul style="list-style-type: none"> <li>Ineffective or lack of Health and Safety Policy, guidance and training for staff</li> <li>Ineffective controls for the management of Health and Safety</li> <li>Ineffectiveness of health and safety risk assessments</li> <li>Lack of awareness of health and safety controls and practices at work</li> <li>Lack of capacity and skills to ensure continuous provision of high quality health and safety in the work place</li> <li>Property standards decline</li> <li>Threats posed by the pandemic - both in the office and - how we use everything</li> <li>Increased home working as a result of hybrid working - equipment and facilities - staff not have equipment to work from home</li> </ul>	<ul style="list-style-type: none"> <li>Poor working practices</li> <li>Increased absence from work</li> <li>Work place accidents and near misses</li> <li>Health and Safety Executive inspections and fines</li> <li>Reputational damage as a service provider and as an employer</li> <li>Corporate Manslaughter</li> <li>Financial impact</li> <li>Non-compliance with statutory requirements</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>Health &amp; Safety responsibilities now incorporated into Operations Manager role</li> <li>Health and Safety Policy regularly updated</li> <li>Health and Safety guidance</li> <li>Health and Safety risk assessments</li> <li>Regular review and monitoring of risk assessments and safe working practices</li> <li>Health and Safety training</li> <li>Health and well-being monitoring including sickness monitoring</li> <li>Accident recording, monitoring and action planning</li> <li>Suitably trained officers undertake H&amp;S risk assessments</li> <li>Occupational health service</li> <li>Corporate Health and Safety update reported to SMT quarterly</li> <li>Staff wellbeing (Health, Safety and Security) is a standing item on the SMT agenda.</li> <li>The Action Manager (TAM) health and safety management system</li> </ul>	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"> <li>• Depot health and safety handbook</li> <li>• Corporate H&amp;S Group has been refreshed with new ToR</li> </ul>						
<b>Actions</b> <i>HSE inspection at the Depot on 9 June 2023, final report lists minor traffic management breaches which involve minor improvement, which are underway.</i> <i>Expansion of the use of TAM to incorporate notes from H&amp;S Group and also to maintain and update H&amp;S risk assessments.</i>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>• HSE Covid-19 inspection - confirmed arrangements in place are robust for Covid</li> <li>Internal Audit of Staff Wellbeing - Reasonable October 2022</li> <li>HSE Depot Inspection June 2023</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR09: Emergency planning &amp; severe weather events - Ability to respond effectively in the event of a prolonged major incident while maintaining the ability to keep services running</b> <b>Lead Officer: Adrian Rowbotham &amp; Trevor Kennett</b>											
<ul style="list-style-type: none"> <li>Inadequacy of emergency plan &amp; business continuity plans</li> <li>Inability to appropriately implement emergency plans in response to any given event</li> <li>Lack of capacity or specialist skills within the workforce to co-ordinate and respond to a major emergency</li> <li>Insufficient controls for major emergency hazards</li> <li>Security - responding to national threat levels (move to critical plans within the major) emergency plan</li> <li>Insufficient resilience in the face of a long-term event</li> <li>Multiple successive and/or simultaneously occurring events i.e. EU exit, Covid and a severe weather event</li> </ul>	<ul style="list-style-type: none"> <li>Disruption to the community and to community services</li> <li>Inability to maintain Council services</li> <li>Excessive non-recoverable expenditure on response</li> <li>Loss of Council information</li> <li>Reputational damage</li> <li>Inability to adequately respond to multiple occurring events either separately or concurrently</li> <li>Insufficient staffing capacity to deal with a long term and/or major /or concurrent event(s)</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>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)</li> <li>District Major Emergency Plan (including BCP) in place (Version 15) <a href="https://www.sevenoaks.gov.uk/downloads/download/112/sevenoaks_district_council_major_emergency_plan">https://www.sevenoaks.gov.uk/downloads/download/112/sevenoaks_district_council_major_emergency_plan</a></li> <li>The Action Manager (TAM) to co-ordinate response effectively including documentation</li> <li>IT Disaster Recovery Plan in place (but see action below, currently being updated)</li> <li>Collaborative arrangements and plans agreed with other Category 1 and 2 responders, Town and Parish Councils, the voluntary sector and others</li> <li>Access to support resources from across the Council, including Direct Services</li> <li>Council is a member of the Kent Resilience Forum which gives access to expertise and resources</li> <li>Business continuity impact assessments undertaken identifying priority services</li> <li>Mutual aid provision via CCA</li> <li>Managers Emergency Planning guidance manual distributed to all senior managers</li> </ul>	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
					<ul style="list-style-type: none"> <li>Operational participation in KRF exercises to test various plans.</li> </ul>						
<b>Actions</b> <ul style="list-style-type: none"> <li>Training of additional officers and to cover more roles - <i>In progress</i></li> <li>Desktop exercise to test plan - In development</li> <li>Senior Manger Silver Commander Training - <i>In progress</i></li> <li>Elected Member training completed</li> </ul>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>Internal Audit of Emergency Planning - Substantial assurance (September 2022)</li> <li>Scrutiny Committee Member working group on Covid-19 response</li> </ul>											

Agenda Item 8

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR10: Safeguarding - Failure to identify and act on a Safeguarding concern</b> <b>Lead Officer: Sarah Robson &amp; Jim Carrington-West</b>											
<ul style="list-style-type: none"> <li>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</li> <li>Failure to provide staff training and awareness of the organisation's safeguarding duties and processes</li> </ul> <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"> <li>Could result in domestic homicide, suicide or other death, injury or continuing neglect, continuing modern slavery, human trafficking, terrorism</li> <li>Damage to public confidence and Council reputation</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Safeguarding Policy reviewed annually. Latest update 2023.</li> <li>Designated Safeguarding Officers trained every 2 years (May 2023 most recent) - next round of DSO training to be delivered in June 2025.</li> <li>SMT safeguarding training delivered annually, online staff training launched by the HR team. Additional training offered relating to Prevent, Domestic Abuse, Child Sexual Exploitation etc.</li> <li>DBS checks in place for relevant staff</li> <li>Promotion of safeguarding to all staff through posters, Safeguarding newsletters and Grapevine</li> <li>Simple internal reporting arrangements in place for staff to report safeguarding issues</li> <li>A corporate Safeguarding Group to continually review and update policy and processes, and monitor strategic risk and referrals. Terms of Reference in place for the Group.</li> <li>Workload management process and analysis kept up to date to ensure staff capacity to respond</li> <li>Staff trained as safeguarding trainers</li> <li>Trained Designated Safeguarding Officers.</li> <li>Housing SPOC for Domestic Abuse.</li> <li>Frontline staff training undertaken on a quarterly basis</li> <li>New online referrals system QES in place, which co-ordinates referrals across Kent.</li> <li>Lead Chief Officer reports regularly to SMT</li> </ul>	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"> <li>Deputy Lead is also a Chief Officer</li> <li>Annual Section 11 Audits and assessments to provide external assurance</li> <li>Good working relationship with KCC and the Kent Safeguarding Boards</li> <li>Safeguarding awareness included into the staff 'new starter' induction process.</li> <li>Safeguarding added as a standing agenda item to Procurement Working group and procurement guidance provided</li> <li>Staff Domestic Abuse policy launched in 2022</li> <li>White Ribbon campaign promoted internally and externally annually in November</li> <li>Delivery of annual West Kent Domestic Abuse Forum</li> </ul>						
<p><b>Actions</b></p> <ul style="list-style-type: none"> <li>Recruiting to a Domestic Abuse and Safeguarding Officer on a 2 year fixed term contract.</li> <li>Members Safeguarding Handbook being drafted.</li> <li>Working towards our Domestic Abuse Housing Alliance accreditation for the Council.</li> </ul>											
<p><b>Available Assurance</b></p> <ul style="list-style-type: none"> <li>Internal Audit of Safeguarding issued November 2021 with Limited assurance</li> <li>Officer Safeguarding Group and Designated Safeguarding Officers</li> <li>Safeguarding Policy</li> <li>Online safeguarding referral software and tracker</li> <li>E-learning for safeguarding</li> <li>Annual Section 11 Audit - last undertaken Nov 2022</li> <li>Kent and Medway Safeguarding Adults Board self-assessment framework completed January 2024</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR11: Temporary Accommodation - Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homeless budgets.</b> <b>Lead Officers: Sarah Robson</b>											
<ul style="list-style-type: none"> <li>Changes in government funding</li> <li>Rising numbers of placements</li> <li>Impact on Council finances</li> <li>Increase in rising cost of living related homelessness</li> <li>Increase in out of area placements in the District for households fleeing domestic abuse in line from Domestic Abuse Act</li> <li>Increase in homelessness arising from the homes for Ukraine Scheme and other asylum schemes</li> </ul>	<ul style="list-style-type: none"> <li>Failure to fulfil statutory obligations</li> <li>Impact on life chances and outcomes for individuals and families in temporary accommodation</li> <li>Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation)</li> <li>Pressure on other services</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Temporary Accommodation Action Plan in place for the Housing team.</li> <li>Use of DLUHC’s annual Homelessness Prevention Grant to the organisation to prevent homelessness and support costs for temporary accommodation.</li> <li>Focus on preventing homelessness and diversion to alternative housing options through:                             <ul style="list-style-type: none"> <li>-Xantura early intervention online prevention tool</li> <li>- Landlord and Tenancy advice, support and sustainment</li> <li>- Assistance, (including financial aid) to access the private rented sector</li> <li>- Access to employment and training</li> <li>- Debt, money, budgeting and welfare benefits advice, including assistance to resolve rent and mortgage arrears</li> <li>- Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money</li> <li>- Family incentive and mediation support to prevent homelessness and retain individual in the family home</li> </ul> </li> <li>Delivery of the Quercus Housing Business Plan to ensure the supply reduces the reliance on nightly paid accommodation</li> <li>Voluntary Relocation scheme.</li> <li>Implementation of the Quercus Housing Business Plan to ensure the</li> </ul>	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
					supply reduces the reliance on nightly paid accommodation. <ul style="list-style-type: none"> <li>• Delivery of Council led housing projects e.g. Vine Court Road and Stay Green House</li> <li>• Temporary Accommodation secured from WKHA and Moat at no cost to the Council</li> <li>• Homelessness and Rough Sleeping Strategy / Housing Strategy</li> <li>• Communications plans in place to promote good news stories and initiatives (InShape, social media).</li> <li>• Work with Housing Associations and TA providers to secure accommodation units in district.</li> <li>• TA Charging Schedule in place</li> <li>• Homes for Ukraine and asylum schemes:</li> <li>• Dedicated team to work with KCC, hosts and guests to ensure as many placements as possible are maintained</li> <li>• Private Sector Housing Team resource allocated for property inspections, prioritising those of potential 'rematch' hosts</li> <li>• Welcome Pack and leaflets (in English and translated) providing information on the district, local services, housing</li> </ul>						
<b>Actions</b> <ul style="list-style-type: none"> <li>• Deliver the Rough Sleeper Initiative funding action plan over the next three years</li> <li>• Utilise Homes for Ukraine funding allocation to support placements into the private rented sector, rather than temporary accommodation</li> <li>• Allocate capital spend from Local Authority Housing Fund allocation to support households seeking asylum in the District</li> </ul>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>• Homelessness and Rough Sleeping Strategy adopted by Council in 2023.</li> <li>• Internal Audit of Temporary Accommodation completed in October 2022 (Reasonable Assurance)</li> <li>• Monthly Homelessness Data Report to SMT and Cabinet Members</li> </ul>											



		Gross Scores			Internal Controls			Net Scores			Target Scores		
Risk Factors	Potential Effect	L	I	R	Internal Controls			L	I	R	L	I	R
<ul style="list-style-type: none"> <li>Monthly budget monitoring</li> <li>DELTA homelessness return submitted monthly to DLUHC</li> </ul>													
		Gross Scores			Internal Controls			Net Scores			Target Scores		
Risk Factors	Potential Effect	L	I	R	Internal Controls			L	I	R	L	I	R
<b>SR12 - Capital projects - not delivered to time, budget or quality</b> <b>Lead Officer: Adrian Rowbotham &amp; Detlev Munster</b>													
<ul style="list-style-type: none"> <li>Lack of available funding to deliver planned schemes either due to accessibility or acceptable interest rates</li> <li>Ambitions do not align to viability or lack of consensus</li> <li>Lack of capacity to deliver capital projects (resources and skills available within the organisation) at all stages from initiation to completion</li> <li>Schemes go over budget</li> <li>Risk appetite is averse and opportunities are missed</li> <li>Schemes are progressed at the expense of asset maintenance programme</li> <li>Higher than assumed inflation levels</li> <li>Significant market volatility resulting in systemic risk</li> <li>Member appetite for development</li> </ul>	<ul style="list-style-type: none"> <li>Projects do not commence or progress as planned</li> <li>Projects go over budget meaning that resources are diverted from other areas</li> <li>Delays to starting schemes</li> <li>Reputational damage if projects delayed or part completed</li> <li>Increased revenue impact could result in an unbalanced 10-year budget</li> <li>Projects may need to be re-prioritised and placed on hold at appropriate stages.</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>Strategic Property Team in place and augmented depending on type of scheme presented</li> <li>Project Management and governance protocols in place</li> <li>Pre-feasibility and due diligence investigation undertaken prior to commitment of funds</li> <li>Capital programme set annually, approved by full council</li> <li>Investigate viability and funding options on a scheme by scheme basis</li> <li>Bidding process for projects on capital plan</li> <li>Corporate / Strategic Programme Board - monitoring including viability reviews for individual projects</li> <li>Augment team with external specialist consultants (as necessary)</li> <li>Commence discussions with local Planning Authority as soon as possible</li> <li>Commence early consultation with key interested and affected parties</li> </ul>	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
					<ul style="list-style-type: none"> <li>Review of lessons learned logs from previous projects</li> <li>Revised schemes to be approved by Members</li> <li>A detailed capital programme process</li> <li>Looking at ways to cap and collar inflationary pressures being done on case by case basis through shadowing exercises and adjusting procurement exercises</li> <li>Continue to check on lessons learned from previous projects</li> <li>Investigate appropriate project insurance</li> </ul>						
<p><b>Actions</b></p> <p>Appraisals for capital projects to be updated on a regular basis with appropriate scenario and sensitivity tests. Where appropriate external advice to be sought.                      Implementation of certain projects may need to be delayed due to economic and market uncertainty. View to be taken by CPB depending on viability assessments and project reports.                      Members to receive training on viability appraisals.</p>											
<p><b>Available Assurance</b></p> <p>All projects have external consultants to provide reports which inform decision making.                      Capital programme management audit underway</p>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR13 - Tackling the Challenge of Climate Change - Failure to achieve carbon neutral.</b>											
<b>Lead Officer: Richard Morris</b>											
<ul style="list-style-type: none"> <li>Technology does not sufficiently advance to allow the Council to replace fleet</li> <li>Technology is too expensive to allow the Council to replace fleet</li> <li>Cost of work to Council assets (prohibitive)</li> <li>Retrofitting of assets not technically feasible</li> <li>Lack of adequate funding</li> <li>Slippage on decarbonisation pathway</li> </ul>	<ul style="list-style-type: none"> <li>Reputational damage</li> <li>Environmental enhancements not achieved</li> <li>Political impact</li> <li>Financial impact on 10-year budget</li> <li>Inability to sufficiently fund schemes</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Officer Working Group</li> <li>Monitoring and political oversight</li> <li>Training and skills development through best practice groups</li> <li>Climate Change reserve</li> <li>Adopted Climate Change Strategy</li> <li>Progress against actions is monitored by Cleaner &amp; Greener Committee</li> <li>Kent &amp; Medway Environment Group (KMEG) &amp; County alignment</li> <li>Continual pathway analysis</li> <li>Procurement of a carbon reduction plan</li> </ul>	3	3	9	2	3	6
<b>Actions</b> Produce a Climate Change Strategy Production of an action plan											
<b>Available Assurance</b> Climate Change is a standing agenda item on Cleaner and Greener Portfolio briefings and regular updates to CGAC Net Zero Internal Audit has been completed and recommendations implemented.											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR14 - Cost of Living Pressures</b> <b>Lead Officer: Sarah Robson and Jim-Carrington West</b>											
<ul style="list-style-type: none"> <li>Significant increase in the cost of living results in many more residents requiring urgent support to meet their basic needs and to keep on top of their essential bills.</li> <li>Impact on businesses across the district, as residents may have less disposable income.</li> </ul>	<ul style="list-style-type: none"> <li>Increased pressure on Council services - notably Housing, Revenues and Benefits.</li> <li>Increased service demand on key partners such as Citizens Advice.</li> <li>Council income streams could also be more severely impacted.</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Financial Hardship Officer Working Group in place - meets quarterly and reports to SMT.</li> <li>Co-ordinate Government Support to ensure it reaches those people who need it.</li> <li>Housing and Communities Hub held monthly at Argyle Road.</li> <li>Promote affordable warmth, insulation and energy saving schemes, to improve heat retention and better insulated homes.</li> <li>Liaise with others including Kent County Council and local NHS organisations to help maintain and support residents in good physical and mental health, including engaging in community-led health and wellbeing initiatives, volunteering and socialising via local initiatives.</li> <li>Prepare for a possible 'rent shock' or increased Council Tax arrears as households in the district may prioritise between heating and eating instead of paying rent or council tax.</li> <li>Increase capacity to provide housing advice that focuses on tenancy sustainment and preventing homelessness.</li> <li>HERO team work in partnership with Crosslight and Stepchange to ensure residents can access the help they need and are entitled to,</li> </ul>	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
					including money and debt management. <ul style="list-style-type: none"> <li>• Bi-monthly ‘Help for You’ leaflet, explaining how the Council, and its partners, can support residents.</li> <li>• Work with town and parish councils, churches, businesses and other organisations to provide a Warm Spaces directory of safe and friendly public places.</li> <li>• HERO team on hand to provide advice and support to our most vulnerable customers.</li> <li>• Work with KCC to promote low-cost internet connections and social tariffs.</li> <li>• New homes delivered via Quercus Housing, offering rents set at LHA and discounted affordable rent.</li> <li>• Funding available to voluntary groups to support residents facing hardship via the LSP Community Wellbeing Fund.</li> <li>• Everyone Active provision of concessionary leisure memberships.</li> <li>• Access to free health and wellbeing support and activities through One You programme.</li> <li>• Support for local businesses through the Council’s business support network (WKP).</li> </ul>						
<b>Actions</b>											
Home Upgrade Grant Phase 2 to be delivered in 2023/24 and 2024/25 delivering energy efficiency measures to eligible low income households.											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>• Housing and Communities Hub hosted at Argyle Road each month to support customers.</li> <li>• HERO team in place to provide advice and support to our most vulnerable customers.</li> </ul>											

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"><li>Benefits team single point of contact for processing all Government support schemes (e.g. Council Tax energy rebate scheme and Household Support Fund) - submitting relevant funding monitoring reports.</li></ul>											

## 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.

### 2024/25

- Climate Change
- Legislation Changes
- Regeneration Projects
- Increased demand from migration and people movement (Ukraine, Afghanistan)
- Ukraine war
- Political change
- Impact of KCC's budget cuts on SDC

### 2025+

- Ageing Population
- Advancing Technologies
- Infrastructure
- Business Rates Retention
- Regional reorganisation
- Political change (county & national level)
- Possible Kent & Medway devolution deal

## 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>
<b>Critical (5)</b>	Uncontrolled financial losses in excess of multiple £m's	Failure to deliver <i>statutory</i> service / service disruption for <b>&gt;14 days</b>	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
<b>Major (4)</b>	Uncontrolled financial losses in excess of <b>£1m+</b> overspend in budget by <b>&gt;£1m+</b>	Unable to deliver <i>discretionary</i> service / service disruption for <b>&gt;14 days</b>	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
<b>Moderate (3)</b>	Uncontrolled financial losses between <b>£500k - £1m</b> / overspend in budget by <b>&gt;£500k</b>	Unsatisfactory service performance / service disruption of <b>&gt;5 days</b>	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
<b>Minor (2)</b>	Uncontrolled financial losses between <b>£100k - £500k</b> / overspend in budget by <b>&gt;£100k</b>	Reduced service delivery / service disruption for <b>7 hours</b>	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
<b>Minimal (1)</b>	Uncontrolled financial losses less than <b>£100k</b> / overspend in budget less than <b>£100k</b>	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

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## AUDIT COMMITTEE INDEPENDENT MEMBERS – TERMS OF OFFICE

Audit Committee – 16 April 2024

**Report of:** Deputy Chief Executive and Chief Officer – Finance and Trading

**Status:** For Decision

**Key Decision:** No

**Portfolio Holder:** Cllr. Kevin Maskell

**Contact Officer:** Adrian Rowbotham, Ext. 7153

**Recommendation to Audit Committee:**

Members decide on the terms of office for the two Independent Members.

### Introduction and Background

- 1 Within the Constitution of Sevenoaks District Council (Part 6 – Audit Committee, section 2.3) is the following:
- 2 *'The Audit Committee shall be entitled to recommend to Council the appointment of up to two additional co-opted non-voting members. Any co-opted members must have the necessary technical knowledge and skills to be of value to the business of the Committee.'*
- 3 A report on Audit Committee Independent Members was presented to the Audit Committee on 15 July 2021. At the meeting it was resolved that Officers and the Chairman of Audit Committee continue to investigate the value of an Independent Member and a report be brought back to the meeting in January 2022.
- 4 An update report was presented to the Audit Committee on 25 January 2022. At the meeting it was recommended to Council that up to two additional co-opted non-voting members be appointed, at a rate of remuneration similar to other Kent Districts, which may be reviewed after 1 year. The Committee were also supportive of working with Dartford BC on joint appointments.
- 5 At Council on 22 February 2022, it was resolved that the appointment of up to two additional co-opted non-voting members with an allowance of £800 per annum each, be agreed.
- 6 An interview process took place on 23 May 2022 when Mr Mo Chughtai and Lynda McMullan were appointed for an initial term of one year.

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### Terms of Office

- 7 Both Independent Members were appointed for an initial term of one year which ended in May 2023.
- 8 At the Audit Committee on 28 March 2023 Members were asked to decide on the terms of office following the end of the initial term. Members expressed the view that staggered terms would allow a future Committee, should they wish, the ability to renew the Independent Members' terms for 4 years thereafter. This would avoid the future terms of office expiring at the same time as those of elected members and provide greater stability in the Membership of the Committee.  
  
The Audit Committee resolved that the terms of office of the Independent Members of the Audit Committee be staggered from May 2023 and;
  - a. Mo Chughtai serve as a non-voting, co-opted member for a further 2 year term until May 2025,
  - b. Lynda McMullan serve as a non-voting, co-opted member for a further 1 year Term, until May 2024.
- 9 Therefore, this is the last meeting in Lynda McMullan's current term.
- 10 It is up to the Audit Committee to decide on the new terms of office. There are a range of options including the following:
  - a. Four years from the expiry of the current terms of office so that the terms do not coincide with elected Members to ensure some continuity of membership of the committee.
  - b. To conclude at each full council election.
  - c. Any other time between one and four years.
- 11 Also to consider whether to continue with different terms for each Independent Member so that there is more flexibility in the timings of change of committee membership.
- 12 Members are asked to decide on one of the above options or an alternative following discussion at the committee.

### Key Implications

#### Financial

There are no additional financial implications resulting from the future terms of office as a decision was made by Council to have up to two Audit Committee Independent Members.

Legal Implications and Risk Assessment Statement

Part 6 of the Constitution (as set out above) permits the Audit Committee to recommend the appointment of up to two additional co-opted non-voting members. Any such recommendation will be referred to the next meeting of Full Council for a final decision. Terms of office do not need to go to Full Council for a final decision.

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**

Audit Committee Independent Members report – Council 22 February 2022

Audit Committee Independent Members – Update report - Audit Committee 25 January 2022

Audit Committee Independent Members report – Audit Committee 15 July 2021

Audit Committee Independent Members Terms of Office – Audit Committee 28 March 2023

**Adrian Rowbotham**

**Deputy Chief Executive and Chief Officer – Finance & Trading**

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**Audit Committee 2024/25- Work Plan**

	16 April 2024	Summer 2024	Autumn 2024
<b>Internal Audit</b> (Irregularities to be reported confidentially as & when necessary)	Internal Audit Progress Report 2023/24  Internal Audit Plan 2024/25	Internal Audit Annual Report and Opinion 2023/24	Internal Audit Progress Report 2024/25
<b>Accounts and External Audit</b>		Statement of Accounts 2021/22  External Audit – Annual Audit Report 2021/22  Statement of Accounts 2022/23  External Audit – Annual Audit Report 2022/23  External Audit – Annual Audit Plan 2023/24  Statement of Accounts 2023/24 – Establishment of Member Working Group	

	16 April 2024	Summer 2024	Autumn 2024
<b>Other</b>	Audit Committee Member Development Strategic Risk Register Independent Members Terms of Office	Audit Committee Member Development Audit Committee Terms of Reference Counter Fraud and Compliance Team Report Annual Governance Statement 2023/24 Review of the Effectiveness of the Audit Committee 2023/24	Audit Committee Member Development Strategic Risk Register