

Audit Agenda



Tuesday 9 November 2021 at 7.30 pm

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Birnie	Councillor Silwal
Councillor Herbert Chapman (Chairman)	Councillor Symington
Councillor Mahmood	Councillor Townsend

Substitute Members:
Councillors

For further information, please contact Corporate and Democratic Support or 01442 228209

AGENDA

- 1. APOLOGIES FOR ABSENCE**
To receive any apologies for absence
- 2. DECLARATIONS OF INTEREST**

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

3. MINUTES AND ACTIONS (Pages 3 - 11)

To confirm the minutes of the previous meeting and consider the actions

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation

5. INTERNAL AUDIT (Pages 12 - 46)

- Progress Report / SICA Report
- Customer Services – Report to Follow
- Absence Management

6. STRATEGIC RISK REGISTER QUARTER 2 21/22 (Pages 47 - 60)

7. WORK PROGRAMME (Page 61)

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON: 08 September 2021

ATTENDING

Councillors:

Councillor Chapman (Chairman)

Councillor Elliot

Councillor Silwal

Councilor Townsend

Councillor SO.Mahmood

Councilor Symington

Councillor Birnie

Outside Representatives:

DBC Officers:

James Deane Corporate Director (Finance & Operations)

Fiona Jump Group Manager (Financial Services) (FINANCIAL SERVICES)

Ben Trueman Group Manager (Technology & Digital Transformation)

Marie Sells, Member Support Officer

Grant Thornton

Paul Cuttle

TIAA

Philip Lazenby

The Meeting commenced at. 19:30

No.	AGENDA ITEM
1	APOLOGIES FOR ABSENCE Apologies received from Nigel Howcutt.
2	MINUTES OF THE PREVIOUS MEETING Cllr Birnie noted he was not listed as an attendee, this will be corrected by the clerk. The Minutes of the previous meeting were review and agreed

	<p>Cllr Birnie commented on an item raised in June regarding estimates and related disclosures and noted that it had been said a response to the audit committee’s enquiries would be provided in due course. It was confirmed that this matter would be taken away and that a response would be provided.</p> <p>Cllr Symington noted a comment in the minutes made by Cllr Birnie regarding a wider discussion on grants and that a paper would come to the audit committee to address this issue. Cllr Symington highlighted that an answer wasn’t supplied and that this will be carried over as another item.</p>
3	<p>DECLARATIONS OF INTEREST</p> <p>There were no Declarations of Interest.</p>
4	<p>PUBLIC PARTICIPATION</p> <p>There were no items of public participation.</p>
5	<p>FINAL OUTTURN REPORT 2020/2021</p> <p>Fiona Jump presented the final outturn report, noting that they remain unchanged from the provision answer with a reported deficit of £2.358m to be funded from the recovery reserve. Entries for the pension costs and collection fund have now been finalised and, subject to approval of the audit committee, the same provisional answer will continue. The provisional answer for the housing revenue account is reporting a surplus of £362k, though following finalisation of the pension cost account, it is requested that the committee recommends to council an additional transfer of £876k in reserves to HM Revenue.</p> <p>Cllr Birnie noted the HRA surplus of £362k and asked if this was due to some water charge refunds still being outstanding. Fiona Jump confirmed that the full cost of water charges are accounted for in the final outturn position and provision has been put aside for former tenants.</p> <p>Cllr Birnie commented on the variance for SPAE in table 1 and it was confirmed by FIONA JUMP that the £34k is considered trivial in the general context.</p> <p>A question was raised regarding the funding equalisation reserve and whether this number was likely to move significantly. Fiona Jump explained that it is particularly high this year due to the council receiving a particularly high level of grant funding from the government to compensate for the deficit on business rates as a result of the pandemic. FIONA JUMP advised that this transfer would be required almost immediately to repay central government in the current and future financial years. It was also noted that there is also a push from the LGA and local government lobbying groups to highlight that this is a temporary solution and should therefore not reflect finances.</p> <p>In response to a question by Cllr Birnie on the £12.346m transfer, FIONA JUMP confirmed that almost all of this is supported by government grants.</p> <p>Cllr Symington commented on the late arrival of the papers and that committee members</p>

	<p>had been given very little time to reflect on this item. This was noted, however the papers were available online from the Wednesday of the previous week, this was checked and confirmed by several officers and the clerk.</p> <p>Cllr Birnie queried the £62k deficit on page 15 of the report and asked how this compared to the provisional outturn presented during the June meeting. Fiona Jump advised that there has been no change on the capital programme for the position of the provision outturn. Cllr Birnie noted the level of slippage in the table and asked if the deficit would have been £9.4m had this slippage not occurred. Fiona Jump clarified that this wasn't the case and that slippage wouldn't increase the variance to budget.</p> <p>Cllr Townsend referred back to the £12m funding equalisation and asked why they were not reflecting a provision if this amount is to be paid to central government and the accounts are closed. Fiona Jump stated that this was per the guidance issued by CIPFA.</p> <p>Cllr Symington asked if table 2 under point 4.1 refers to the current budget for this year or last year before the slippage. Fiona Jump confirmed that it refers to the 2021 budget and that they would ensure the financial year was stated in future reports.</p> <p>Cllr Symington noted the collection fund accounting rules as outlined under point 2.3 and asked for further clarification on these. Fiona Jump explained that an assumption is made in advance of the financial year, and either the difference is paid if there is a deficit or the received if surplus at the end of that year. Fiona Jump added that they summarise these as timing differences with the numbers balanced the following year.</p> <p>In response to a question from Cllr Chapman on the garage project, James Deane explained that they currently have 1k leads in terms of demand so are now looking to identify areas where there is a concentration of demand and a set of void garages.</p> <p>The Committee confirmed the review of the financial outturn for 2020/21 (appendices A and B).</p> <p>The Committee approved the reserve movements as set out at 5.4: a contribution to the Funding Equalisation Reserve of £12.436m and a further transfer of £876k to the HRA revenue commitments reserve to support future HRA service priorities.</p> <p>The Committed confirmed the review of the capital programme outturn for 2020/21 (appendix C).</p> <p>The Committee confirmed the review of the final balances on earmarked reserves as at 31st March 2021 (appendix D).</p>
6	<p>STATEMENT OF ACCOUNTS AND LETTER OF REPRESENTATION</p> <p>James Deane commended all those involved, particularly the finance team and those at Grant Thornton, for all their work on this item.</p> <p>Fiona Jump provided an overview of the statement of accounts, noting that it comprises of the comprehensive income and expenditure statement, movement in reserves statement, balance sheet and cash flow statement. The comprehensive income and expenditure statement shows that the council made a net loss of £35m during the last</p>

financial year, which was mainly driven by the loss of the pension liability, and is also reflected in the movement in reserves statement.

Paul Cuttle presented the draft audit findings report, stating that the report was issued last week and the intention is to issue an unqualified opinion on the financial statements in advance of the 30th September deadline. Paul Cuttle noted the items of most significance as creditor testing, which should be closed soon, and the evaluation of PPE, which will have an immaterial adjustment of £1m that will be noted in the report but not updated in the accounts.

Paul Cuttle confirmed that the proposed audit opinion is an unqualified audit report, though the uncertainty around the valuation of land and buildings was highlighted, as explained on page 130 of the report, and this will be reflected within the opinion. Paul Cuttle noted that the value for money approach has now changed and has therefore been decoupled from the opinion. The auditor's annual report is due 3 months after the financial statements audit and the intention is to have this delivered within the expected timeline.

Cllr Townsend queried the £1m immaterial difference and the timing difference on the valuation of property. Paul Cuttle clarified that the balance of properties is under the £1m valuation approach and is based on an estimate using indices with the evaluation made on 31st January on an asset-by-asset approach. It was noted that the headline figure is £3m and trivial is £150k, and therefore £1m will not impact the overall opinion but a reference will be made to the non-adjustment.

Cllr Symington noted the additional work on creditors. Paul Cuttle confirmed that there is work outstanding on some creditor listing issues though this isn't a concern on balances. In response to a further question from Cllr Symington on calculating creditor days, Paul Cuttle advised that they take this into account and will challenge though they wouldn't assess in the same way as for debtor days.

Cllr Birnie commented on the £1bn of assets and asked if the £64.8m is the value of the council's investment properties. Paul Cuttle confirmed this, adding that there is a level of uncertainty on these assets due to Covid-19, which is referenced in the accounts.

In response to a question regarding whether any fraudulent activity had been found, Paul Cuttle confirmed that it is not their responsibility to find fraud though they didn't identify any perpetrated by management or external parties whilst undertaking audit procedures.

The portfolio holder for finance and resources reassured the councillors on investment properties, noting that they have no borrowings against a number of their properties and that there is a good spread of shops vital to the local neighbourhood.

The Committee confirmed their review of the statement of accounts 2020/21.

The Committee approved the Letter of Representation.

The Committee approved the statement of accounts for 2020/21.

7	<p>EXTERNAL AUDIT FINDINGS REPORT</p> <p>It was noted that this was covered under item 6 of the agenda.</p>
9	<p>STRATEGIC RISK REGISTER UPDATE Q1</p> <p>James Deane took the report as read.</p> <p>Cllr Townsend queried how the strategic risk register coincides with the terms of reference for the Audit Committee and suggested that these items were for the Overview and Scrutiny Committees. James Deane explained that the cabinet is in charge of delivering the corporate plan and that strategic risks come to the Committee to therefore hold the cabinet to account, with operational risks then going to Overview and Scrutiny Committees.</p> <p>In response to a question on whether the council had faced any cyber-attacks during the pandemic, Ben Trueman confirmed that while the council is under constant threat, they haven't been compromised by a cyber-attack for a number of years.</p> <p>Cllr Symington commented that it would be beneficial to see where amendments have been made to the register. James Deane stated that significant changes will appear in the report and if there has been no material change then a brief description of the quarter will be given, he agreed to update the report to make this clearer in future.</p> <p>Cllr Townsend requested that their comments and suggestions be provided to cabinet, adding a recommendation that cabinet should look to isolate key risks and provide a narrative report. James Deane suggested that the area of focus is the risk, impact and mitigations being taken, and therefore to assess if the council is doing enough to reduce the risk. Cllr Townsend asked if they could have a narrative to help isolate key strategic points that would work as headlines rather than a list of items. James Deane agreed to look at the request and see how this could be done.</p> <p>Cllr Birnie noted that the council is in the process of taking in Afghan refugees and that the impact on housing hasn't been included.</p> <p>Cllr Birnie commented on the council's involvement in proposals for development where they are not in control of financing and are therefore reliant on bids, suggesting that mitigations need to be in place. James Deane explained that this flows down to the service plans where the aim is to reflect the corporate ambition and deliver on investment and infrastructure.</p> <p>Cllr Symington observed the siloed nature of the risk register and suggested that the lack of a holistic approach means they aren't delivering the services that residents want. James Deane advised that while each cabinet member is responsible for a particular risk, the risk is owned collectively by cabinet. Cllr Elliot added that cabinet meet frequently and that they are all aware of each other's portfolios.</p> <p>Cllr Townsend requested reassurance that comments would be fed back to cabinet. JD</p>

	<p>agreed that he would look to reflect this back to cabinet during the next quarterly report.</p> <p>The Committee noted the report.</p> <p>The work programme was reviewed and agreed</p>
9	<p>WORK PROGRAMME</p> <p>Fiona Jump confirmed that this would be brought to the next meeting.</p> <p>Cllr Townsend noted that an internal audit report on the planning process had been missing from the paperwork in the meeting on 23rd June and asked when this would be provided. Cllr Symington confirmed that the report was still missing on modern.gov and instead there was a duplication of another report. James Deane confirmed that he would look into this as soon as possible.</p> <p>There being no further business, Cllr Chapman closed the meeting.</p>
	There being no further business the meeting ended at 21:15

Document is Restricted

ACTION POINT TRACKER –AUDIT

No	DATE OPENED	ACTION ITEM	OWNER	STATUS	NOTES
1	09/09/21	ClIr Birnie commented on an item raised in June regarding estimates and related disclosures and noted that it had been said a response to the audit committee’s enquiries would be provided in due course. It was confirmed that this matter would be taken away and that a response would be provided		Outstanding	
2	09/09/21	ClIr Chapman raised a question regarding sickness absence on page 153 and it was noted that this would be addressed at a future meeting when the head of HR will be present.	TIAA	Outstanding	Items to be brought to the next meeting 9/11/21
3	09/09/21	ClIr Symington commented that it would be beneficial to see where amendments have been made to the register. JD stated that significant changes will appear in the report and if there has been no material change then a brief description of the quarter will be given. JD agreed to update the report to make this clearer in future.	NH	Outstanding	
4	09/09/21	In relation to the Strategic Risk Register, ClIr Townsend requested that the committee’s comments and suggestions be provided to cabinet, adding a recommendation that cabinet should look to isolate key risks and provide a narrative report. JD suggested that the area of focus is the risk, impact and mitigations being taken, and therefore to assess if the council is doing enough to reduce the risk. ClIr Townsend asked if they could have a narrative to help isolate key strategic points that would work as headlines rather than a list of items. JD agreed to look at the request and see how this could be done.	NH	Outstanding	
5	09/09/21	ClIr Townsend requested reassurance that comments would be fed back to cabinet. JD agreed that he would look to reflect this back to cabinet during the next quarterly report.	NH	Outstanding	

6	09/09/21	<p>Cllr Townsend noted that an internal audit report on the planning process had been missing from the paperwork in the meeting on 23rd June and asked when this would be provided. Cllr Symington confirmed that the report was still missing on modern.gov and instead there was a duplication of another report. JD confirmed that he would look into this as soon as possible</p>	NH/MS/FJ	Complete	<p>The document was attached to the agenda and is still accessible online, it is unclear why some members were not able to access the report during the meeting.</p>
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Dacorum Borough Council

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Summary Internal Controls Assurance (SICA) Report

2021/22

Summary Internal Controls Assurance

Introduction

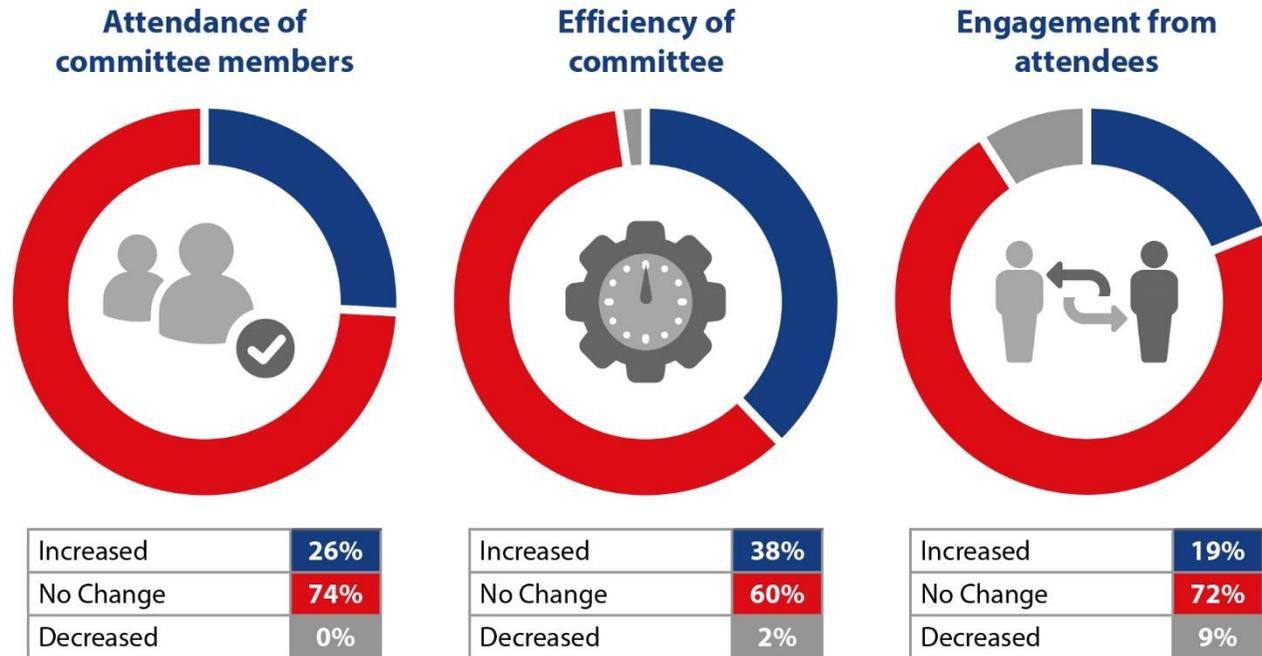
1. This summary internal controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Dacorum Borough Council as at 27th October 2021.

Emerging Governance, Risk and Internal Control Related Issues

2. In our recent 'Post-Lockdown Working Practices Briefing', we explored the results of our survey of clients to ascertain how organisations are planning to deliver some of their functions going forward. We asked a number of questions regarding Audit Committee meetings and their effectiveness since the pandemic started and gained thoughts on how these will take place once restrictions are eased.

The experience of remotely held Audit Committees meetings has been positive with the majority of respondents recording no change in or increased attendance, efficiency and engagement at meetings.

How our clients would like their organisation's assurance services provided



Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Customer Services	Substantial	October 2021	October 2021	October 2021	0	1	2	0

4. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2021/22 Annual Plan

5. Our progress against the Annual Plan for 2021/22 is set out in Appendix B.

Changes to the Annual Plan 2021/22

There a number of areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2021/22. These are summarised below.

COVID assurance review work

Review	Rationale
Governance Arrangements	This is a crucial area in order to be able to support that assurances are being received and evaluated fully in order to mitigate against risk and support the direction of the Council.
Business Continuity (incl Covid-19)	This is flagged as a high risk area on the risk evaluation and requires specific mitigation in order to provide day to day services.
Core Financial Controls	This is essential in providing assurances to support going concern.

Progress in actioning priority 1 & 2 recommendations

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information is provided in Appendix C.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1			Priority 2		
2019/20 Governance	Mazars	0	0	0	1	0	0
2019/20 Disaster Recovery	Mazars	0	0	0	1	0	0
2020/21 Cyber Security	Sept 2020	0	0	0	1	0	0
2020/21 GDPR	April 2021	0	0	0	2	0	0
2020/21 NNDR	January 2021	0	0	0	1	0	0

Frauds/Irregularities

8. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Responsibility/Disclaimer

This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Customer Services	Substantial

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

An organisation's contact centre/ call centre, represents the personality of the organisation. More importantly, good call handling improves relationships, and relationships strengthen businesses.

SCOPE

The audit reviewed the processes operating in relation to the processing, monitoring and reporting of Customer Services call handling.

KEY STRATEGIC FINDINGS



The Council has performance targets in place relating to call handling, however, there was no evidence to support the rationale for the targets set nor whether these had been formally approved.



Training records identified that not all staff had yet received the requisite training in all of the modules relevant to their role.



Errors were noted in the calculation of the cumulative monthly call wait time by the Council's call handling software (Netcall). It was noted that these errors had not impacted on performance reporting, as a result of the Council's own internal monitoring and reporting processes.

GOOD PRACTICE IDENTIFIED



The Service is resilient and was able to continue working seamlessly through the pandemic, with performance targets continuing to be achieved.



Performance is routinely reported to the Housing and Community Overview and Scrutiny Committee.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

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Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Delivery	Review of the latest training record identified nine active members of staff who had at least one element of training outstanding. Of these three were new starters. The remaining six, with start dates ranging from September 2018 to November 2020, had between one to five training modules outstanding.	All staff with outstanding training requirements be required to complete these as a priority to ensure their training is up to date and current.	2	<i>Training is an ongoing task and there will always be outstanding training as staff leave and new staff start. Training for a full time CSR in all services can take up to 12 months.</i>	Ongoing	Tracy Lancashire – Team Leader Customer Services
1	Directed	Performance targets are in place for average call wait time (CUS10) and abandoned calls (CUS11), 300 seconds and 20% respectively. The Council was unable to provide evidence to support the rationale for these expected performance levels or were unable to demonstrate how these had been formally considered and approved.	The two performance targets, CSU10 and CSU11, linked to call handling, be formally reviewed and approved.	3	<i>Targets were set based on historical performance measured against demand and resources available at the time. The organisation is undergoing a review of Customer Service delivery, this could form part of this review.</i>	01/04/22	Matt Rawdon/Tracy Lancashire

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	<p>The performance spreadsheet, which logs daily performance, extracted from the reporting tool, was reviewed. This identified a discrepancy between the cumulative monthly average call wait times calculated internally compared to the cumulative average call wait time calculated by Netcall.</p> <p>Review of the respective data and calculations identified an error in the Netcall calculation. This had not impacted on the accuracy of reporting through the Council's performance management system or reporting to the Housing and Community Overview and Scrutiny Committee.</p>	The calculation error in the Netcall cumulative monthly call waiting time be raised with Netcall and corrected as appropriate.	3	<i>Checked the Sept report and this has now been rectified by Netcall, the problem was resolved with the latest upgrade of the system.</i>	n/a	Tracy Lancashire

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Absence Management	1		Final issued July 2021
Payroll (post implementation of iTrent)	1		Final issued August 2021
Business Continuity (including Pandemic Response)	1	Fieldwork in progress	Review was deferred to Q3 by Auditee.
ICT – Network Security (Remote Access)	1		Final issued August 2021
Customer Services	2		Final issued October 2021
Procurement	2	Draft issued 15 th October 2021	Awaiting Management Responses
Freedom of Information	2	Draft issued 22 nd October 2021	Awaiting Management Responses
Corporate Health & Safety	2	Deferred to Quarter 4	Advised by Management to defer the review due to internal pressures.
Waste Management	2	Fieldwork in progress	Draft to be issued 29 th October 2021
Key Financial Controls	3	Planning meeting held with Auditee	Review to commence Early November 2021
Budgetary Control	3	Planning meeting held with Auditee	Review to commence Early November 2021
Council Tax	3	Fieldwork in progress	
NNDR	3	Fieldwork in progress	
Housing Benefits	3	Fieldwork in progress	
Housing Rents	3	Audit Brief agreed	Review to commence Early November 2021
Empty Homes	4		
Planning Enforcement	4		
Safeguarding & Prevention	4		

System	Planned Quarter	Current Status	Comments
Governance & Risk Management	4		
Follow Up	3-4		Commenced Q3

KEY:

To be commenced	Site work commenced	Draft report issued	Final report issued
Review deferred			

Priority 1 and 2 Recommendations - Progress update

Follow Up Analysis Table

Priority	Recs Outstanding as at 27/10/2021		Aged Analysis for Overdue Recommendations (past date/revised date as appropriate).				
	Past the Original Implementation Date	Before Imp Date	Greater than 1 year	Greater than 6 months	Greater than 3 Months	Less than 3 months	Less than 1 month
Priority 1	0	0	0	0	0	0	0
Priority 2	5	1	0	3	1	1	0
Priority 3	5	1	0	1	4	0	0

Note: Eighteen recommendations have been confirmed as having been implemented in the year to date.

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Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
2019/20 Governance Role						
The executive should issue a communication to all Councillors outlining the requirement that mandatory training is to be completed when due. The process for escalating non completion of mandatory training and for dealing with noncompliance should be adhered to and corrective actions be taken where gaps are identified.	2	All Members have been offered the opportunity to attend mandatory training on at least two different dates. One further training session will be made available for councillors who have been unable to attend training and there will be close liaison with Group Leaders to ensure Members attend. If Members still fail to attend a report will be taken to the Council's Standards Committee for consideration	31/12/2020	Corporate Support Team Leader Director – Corporate and Contracted Services	TIAA has been advised that the latest round of Councillor training including finance member training, is all up to date.	
2019/20 Disaster Recovery						

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
The ICT Business Continuity Plan should link with an updated version of the ICT High Level Disaster Recovery (HLDR) Schedule in order for Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) to be included and identified.	2	<i>The BC plan is due for a review in August 2020. This recommendation will form part of the document review.</i>	30/08/2020 Revised date 29/01/2021	Group Manager – Tech & Digital Transformation Team Leader Corp Health, Safety and Resilience	The Business Continuity Plan was updated in September 2020 and now includes the link to an updated HLDR. Will be reviewed during Qtr 4, to confirm implementation.	
2020/21 Cyber Security						
ICT management to ensure that Windows 2008 servers are decommissioned following ongoing work to migrate systems and data.	2	<i>All 12 remaining Windows 2008 servers will be decommissioned by August 2021.</i>	01/08/2021 Revised date 31/08/2021 Revised date 10/12/21	Group Manager – Technology & Digital Transformation	Specific concerns around specialist applications in use by services had made this a more complex goal than anticipated. 4 of the servers have been fully decommissioned with 8 remaining. We are confident this will be completed by 10/12/21.	
2020/21 GDPR/ Information Governance						
The record of processing activity be completed following the completion of the ongoing review of records.	2	<i>This work is on-going and needs a lot of dedicated time. Timetable reflects this.</i>	31/12/2021	Information Security Team Leader	Implementation date not as of yet reached.	
An exercise be undertaken to review e-records and ensure a log of any destruction is appropriately recorded.	2	<i>An on-going objective is to review the Council's e-records across all services to ensure that departments are aware of system records retention and any residual records on network shares. This is part of the Information Security Team Leaders (ISTL) Objectives. This is a major item of work, so the timetable for implementation is adjusted to reflect this.</i>	30/09/2021 Revised date 31/3/2022	Information Security Team Leader	This is going to be done in a slightly different way now (self-assessment questionnaire), be explaining this to SLT at the next meeting on 25/11/21.	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
2019/20 NNDR						
The Revenues section must conduct regular reviews for reliefs/ exemptions awarded to Businesses and in doing so adopt the methodology applied to Council Tax discounts/ exemptions. Thereby maintaining consistency in approach for both services which fall under Revenues.	2	<i>The Revenues team accepts that there is presently no comprehensive risk assessment of the various property reliefs/exemptions, and so it cannot demonstrate that reviews are being carried out to an appropriate degree. We will develop a risk-based schedule for reviewing BR accounts.</i>	31/12/2020 Revised date 30/04/2021 Revised date 31/08/2021 Revised date 31/03/2022	Revenues & Benefits Support Team Leader	Unfortunately, the requirement to dedicate substantial time to grant processing did not ease during April, nor indeed has it yet, and so this task has not yet been completed.	

KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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Risk Mitigation

	CLEARED	Internal audit work confirms action taken addresses the risk exposure.		ON TARGET	Control issue on which action should be taken at the earliest opportunity.		EXPOSED	Target date not met & risk exposure still extant
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Internal Audit

FINAL

Dacorum Borough Council

Assurance Review of Absence Management

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2021/22

August 2021

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Sickness absence can have a big impact on both performance and costs to the organisation and therefore needs to be managed in a consistent, supportive and effective way so that operational and service levels are maintained. (IIA)

SCOPE

The review considered whether there is an Absence Management Policy which is reviewed periodically; related procedures have been documented, are up to date and made available to all staff; Line Managers are managing attendance effectively and in accordance with required procedures; all employees are aware of their related responsibilities; management are notified of all absences within the required timeframes and statements of fitness for work certificates are produced, covering applicable complete absence periods; 'Return to Work' interviews are carried out after every instance of absence; and that absence is monitored and reported on, on a regular basis.

KEY STRATEGIC FINDINGS



Testing of a sample of sickness absence cases identified issues around non-compliance, for example, absence dates not correctly recorded on certificates, Return to Work interviews not completed within the prescribed timeframes and long-term sickness reviews not being held.



The 'Sickness Absence Management Policy and Procedures' is dated August 2018 and is subject to biennial review, which is now overdue.



Documents/ information was held inconsistently on FirstCare and other related systems including Payroll and Information at Work , for example Fit notes and evidence of keeping in touch, was held in various locations which is contrary to Policy.

GOOD PRACTICE IDENTIFIED



Sickness absence due to COVID does form part of monitoring.



A Sickness Scrutiny Group meets monthly to independently review sickness absence management and provides a consistent approach across the Council.

ACTION POINTS

Urgent	Important	Routine	Operational
0	4	1	2

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Testing identified in two of ten instances, the correct absence dates were not recorded on the Fit note. Both noted a gap of one day, as follows:</p> <ul style="list-style-type: none"> The last day of absence was not recorded. The Auditor was advised absence dates would be corrected on FirstCare. The first day of medically certified absence was not recorded on the fit note. Evidence was provided that demonstrated there was a GP assessment undertaken on the day. The Fit note was however effective from the day after. 	<p>Management to iterate to all staff the need to ensure that accurate and complete information is noted on the Fitness for Work Statements and management should check this accuracy.</p> <p>In order to ensure that staff are correctly undertaking this task, Human Resources to perform spot checks, periodically throughout the year, and outcomes to be reported to Management.</p>	2	<p>Agree.</p> <p>Action: Spot checks will be undertaken as part of SSG monthly meetings.</p> <p>Action: Management communications on the importance of accuracy on fitness for work statements is an accepted recommendation.</p> <p>Comment:</p> <p>On one case there appears to have been a GP administrative error, the fit note should have stated 7/01/21, but the GP added 8/01/21.</p>	<p>Commencing August 2021 and then monthly.</p> <p>September 2021</p>	<p>Matt Rawdon (Group Manager – People)</p> <p>Priti Gohil (HR Team Leader)</p>

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Review and testing of a sample of 10 sickness episodes, identified that in two instances, Return to Work interviews had not been conducted and the prescribed timeframe had now passed.	Return To Work interviews be completed within seven days after returning to work, in accordance with the Absence Management policy.	2	<p>Agree.</p> <p>Action: Review RTW reports at monthly SSG to highlight and address any non compliance</p> <p>Action: Continue to send HR monthly emails to managers on outstanding RTW and ask for reason why they are late.</p> <p>Comment: We already adopt a practice where HR send monthly emails to Managers on outstanding RTW's monthly and ask for the reason why the RTWI was late. The two late cases were in Waste Services and upon chasing they have now been completed.</p>	<p>Commencing August 2021 then ongoing</p> <p>Ongoing</p>	<p>Priti Gohil (HR Team Leader)</p> <p>Priti Gohil (HR Team Leader)</p>
4	Directed	<p>Review and testing of a sample of 5 long-term sickness cases, identified that:</p> <ul style="list-style-type: none"> In one instance, the review meeting was planned for 27th April 2021, however did not take place. An update from the manager provided during the audit advised that the meeting was being re-arranged (June 2021). In one instance, employee went absent during a work shift due to work related 	<p>Management to iterate to all Managers, the importance of adhering to the Absence Management policy with regards to conducting sickness review meetings.</p> <p>More importantly Managers and HR must strengthen their review and monitoring process of staff, who are consistently absent, by way of introducing triggers.</p>	2	<p>Agree.</p> <p>Action: Send communication reminder to all managers of the absence management policy timelines and processes</p> <p>Action: HR Team to carry out audit checks on First Care Portal to ensure</p>	<p>Ongoing from September 2021</p> <p>Ongoing from September 2021</p>	<p>Priti Gohil (HR Team Leader)</p> <p>Priti Gohil (HR Team Leader)</p>

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

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3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		<p>stress. The Return to Work had not been completed neither had a long-term sickness review.</p> <p>It was also noted that regular Manager and HR review was not evident. This employee's record showed absence of 57 days over 10 spells in the last 12 months.</p>			<p><i>comments are being added to cases to show progress and communication maintained during periods of absence</i></p> <p><i>Comments: In the first case, the review meeting did take place with the supervisor and staff member. The staff member decided to leave the meeting before its conclusion. The meeting is re-arranged for August, the time delay between these meetings is due to the staff member being medically suspended and annual leave commitments.</i></p> <p><i>In the second case, a sickness capability hearing was arranged for 06/05/21, but the employee did not attend, which has now been re-arranged. This negated the need for the informal sickness review meeting. This case has been regularly managed in the past, the employee has been issued with a formal written warning and was set attendance targets in line with the policy.</i></p>		

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>Testing of staff absence records identified that information held on FirstCare, Information at work and Payroll systems differed. A lack of consistency and compliance with policy. For example:</p> <ul style="list-style-type: none"> • Not all Fit notes were recorded on FirstCare for four sickness episodes; and • In four instances, long-term sickness episodes did not have supporting notes of manager's regular contact recorded on FirstCare. 	<p>Management to iterate to all staff and managers, the need to ensure that documents/ information on FirstCare, Information to Work and Payroll systems, are per the requirements of the Absence Management Policy.</p> <p>In order to ensure that staff/ managers are uploading the required documents/ information, Human Resources to perform spot checks, periodically throughout the year, and outcomes to be reported to Management.</p>	2	<p>Agree.</p> <p>Action: Appropriate Communications will be produced for managers and spot checks to be completed by HR on Long term sickness cases when reviewing cases at SSG.</p>	September 2021	Priti Gohil (HR Team Leader)
1	Directed	<p>The Council's 'Sickness Absence Management Policy and Procedures' were dated August 2018. It was noted that the document is subject to review every 24 months.</p> <p>Review of the Policy, identified that the content requires updating, in particular:</p> <ul style="list-style-type: none"> • Reference to the former EIS system, • To reflect KPIs/ metrics and how, by whom and when these are reported; and, • Changes in practice relating to Coronavirus exemptions. 	<p>Sickness Absence Management Policy and Procedures be reviewed and updated, with the ratifying group stated on documentation.</p>	3	<p>Agree.</p> <p>Action: Review and update Policy</p> <p>Comment: HR work had to be re-prioritised during the pandemic response and this review was pushed back a year. We will be reviewing the policy during 2021.</p>	October 2021	Priti Gohil (HR Team Leader)

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	Testing of sickness absences, highlighted that two sickness episodes are merged on behalf of managers on the FirstCare system. This effectively cancels one of the two episodes and deletes the associated notes and attachments, resulting in a gap in the sickness records.	To remind line managers to be mindful that once continuous absence episodes are merged, records and supporting evidence are appropriately retained, and not lost when one of the episode is cancelled.	<i>We are now aware of this, this does not happened very often. Will add to our management communications.</i>
2	Delivery	It was noted that minutes are not maintained for the Sickness Scrutiny Group meetings however actions are recorded, but not robustly.	Sickness Scrutiny Group actions to be recorded in accordance with the acronym 'SMART'. To strengthen the robustness of current arrangements.	<i>All updates/actions are recorded on a monthly spreadsheet. We oppose of carrying out minutes of the SSG meeting as this would add more work to the process and duplicate the notes that are already recorded.</i>

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ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

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Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	2, 3 4, & 5	-

Other Findings



The Council has a joint 'Sickness Absence Management Policy and Procedures' document in place, which is available to all staff and can be accessed via the intranet.



The Council uses Nurse Led absence management services and an online administrative portal system provided by an external organisation, FirstCare. The Council had a five year contract with FirstCare, which commenced on 27th April 2015. The contract has been extended for a further year, from 1st November 2020 to 31st October 2021, in considering the sickness module on iTrent. The HR & OD Team Lead has stated this may be delayed by twelve months due to COVID placing other demands on the Human Resources (HR) service.



Supporting flowcharts are in place which outline the process to be followed when managing short and long-term sickness absence.



Dedicated HR Leads and Advisors provide support to line managers across the Council, with the absence management process.

Other Findings



Testing confirmed staff notify FirstCare of absences within the prescribed timeframes and where there were delays, these were adequately explained. For example, for three of the ten sickness episodes tested which were recorded as being reported after the start of a shift, information was provided which demonstrated each delay was reasonable, i.e. sickness absence occurring during a shift that was attended, an emergency medical procedure or administrative reason to merge two continuous episodes.



Review and testing of a sample of ten sickness absence episodes, identified that official 'Statements of Fitness for Work' (Fit note) certifications had been issued where required, including multiple Fit notes to cover the complete absence period, with the exception of two instances, where a gap of one day was noted between the absence period and shortfall in the certification. The absence period recorded on the system still stood therefore there did not appear to be a pay related impact.



Review and testing of ten sickness absences episodes, identified that in eight instances, 'Return to Work' interviews had been completed and for eight these were conducted within the seven day timeframe, in accordance with the Policy. The two overdue Return to Work interviews had either been held or arranged following the audit testing. There is evidence of HR proactively following up with managers to complete outstanding Return to Work interviews and status is regularly monitored and reported.



During testing, it was noted that Occupational Health were considered and involved in each of the ten cases reviewed. There was evidence of effective assessments leading to the following types of support:

- restricted duties;
- formal adjustments; and
- phased return, to enable suitable return to work and the management of risks to individuals and the Council so that neither are exposed.

It is understood a new Optimal Health portal was in place for managers to request for an Occupational Health review. Support is also being provided through the Council's Employee Assistance Programme.



Absence is regularly monitored and reported to the Sickness Scrutiny Group. Figures available to staff on the Council's performance information system Rocket were provided.



The Sickness Scrutiny Group meets monthly to review cases that have hit trigger points, have patterns or emerging concerns and for updates on the formal processes being undertaken. Review of Sickness Scrutiny Group monitoring records, for the sample of 10 cases reviewed, highlighted that process appeared to be working as expected and in accordance with policy requirements, including regular meetings, having plans for support and the issuance of written outcome letters and formal warnings for the period subject to review.



Good practice was noted, as emerging matters relating to the sample tested were highlighted by the Human Resources and Organisational Development Lead Officer, to relevant HR leads to ensure awareness and that these are raised at future Sickness Scrutiny Group meetings due to timing differences. At the time of time of audit, it was stated that absence information relating to May 2021 had been reviewed at the Sickness Scrutiny Group meeting held on 1st July 2021.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	Financial Constraint The process operates within the agreed financial budget for the year.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	1, & 2

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Other Findings



There is evidence of formal reporting of absence data to the Finance and Resources Overview and Scrutiny Committee. Quarterly Performance, People & Innovation Reporting is in place which contains six sickness related KPIs. Reports are publicly available on to the internet. Relevant statistics on sickness absence are collected and analysed by HR.



Coronavirus related absences were exempt from formal sickness triggers and audit testing confirmed exclusions were being applied for the review processes examined.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	27 th April 2021	28 th April 2021
Draft Report:	13 th July 2021	10 th August 2021
Final Report:	11 th August 2021	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council				
Review:	Absence Management				
Type of Review:	Assurance	Audit Lead:	Principal Auditor		
Outline scope (per Annual Plan):	Rationale: If an organisation does not manage absence in an effective and appropriate manner, this may lead to high operational costs				
	Scope: The review considered whether: <ul style="list-style-type: none"> • There is an Absence Management Policy which is reviewed periodically; • Procedures in relation to managing attendance have been documented, are up to date and made available to all staff; • Line Managers are managing attendance effectively and in accordance with required procedures; • All employees are aware of their responsibilities in relation to managing attendance; • Management are notified of all absences within the required timeframes and statements of fitness for work certificates are produced, where applicable, to cover complete absence periods; • ‘Return to Work’ interviews are carried out after every instance of absence; and • Absence is monitored and reported on, on a regular basis. 				
Detailed scope will consider:	Directed	Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.			Delivery
	Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.			Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. Financial constraint: The process operates with the agreed financial budget for the year. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.
Requested additions to scope:	N/A				
Exclusions from scope:	N/A				
Planned Start Date:	12/05/2021	Exit Meeting Date:	01/07/2021	Exit Meeting to be held with:	Group Manager – People, HR&OD Lead and HR Officer

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SELF ASSESSMENT RESPONSE	
Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

Dacorum Borough Council

Assurance Review of Customer Services

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2021/22

October 2021

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

An organisation's contact centre/ call centre, represents the personality of the organisation. More importantly, good call handling improves relationships, and relationships strengthen businesses.

SCOPE

The audit reviewed the processes operating in relation to the processing, monitoring and reporting of Customer Services call handling.

KEY STRATEGIC FINDINGS



The Council has performance targets in place relating to call handling, however, there was no evidence to support the rationale for the targets set nor whether these had been formally approved.



Training records identified that not all staff had yet received the requisite training in all of the modules relevant to their role.



Errors were noted in the calculation of the cumulative monthly call wait time by the Council's call handling software (Netcall). It was noted that these errors had not impacted on performance reporting, as a result of the Council's own internal monitoring and reporting processes.

GOOD PRACTICE IDENTIFIED



The Service is resilient and was able to continue working seamlessly through the pandemic, with performance targets continuing to be achieved.



Performance is routinely reported to the Housing and Community Overview and Scrutiny Committee.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Delivery	Review of the latest training record identified nine active members of staff who had at least one element of training outstanding. Of these three were new starters. The remaining six, with start dates ranging from September 2018 to November 2020, had between one to five training modules outstanding.	All staff with outstanding training requirements be required to complete these as a priority to ensure their training is up to date and current.	2	<i>Training is an ongoing task and there will always be outstanding training as staff leave and new staff start. Training for a full time CSR in all services can take up to 12 months.</i>	Ongoing	Tracy Lancashire – Team Leader Customer Services
1	Directed	Performance targets are in place for average call wait time (CUS10) and abandoned calls (CUS11), 300 seconds and 20% respectively. The Council was unable to provide evidence to support the rationale for these expected performance levels or were unable to demonstrate how these had been formally considered and approved.	The two performance targets, CSU10 and CSU11, linked to call handling, be formally reviewed and approved.	3	<i>Targets were set based on historical performance measured against demand and resources available at the time. The organisation is undergoing a review of Customer Service delivery, this could form part of this review.</i>	01/04/22	Matt Rawdon/Tracy Lancashire

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	<p>The performance spreadsheet, which logs daily performance, extracted from the reporting tool, was reviewed. This identified a discrepancy between the cumulative monthly average call wait times calculated internally compared to the cumulative average call wait time calculated by Netcall.</p> <p>Review of the respective data and calculations identified an error in the Netcall calculation. This had not impacted on the accuracy of reporting through the Council's performance management system or reporting to the Housing and Community Overview and Scrutiny Committee.</p>	The calculation error in the Netcall cumulative monthly call waiting time be raised with Netcall and corrected as appropriate.	3	<i>Checked the Sept report and this has now been rectified by Netcall, the problem was resolved with the latest upgrade of the system</i>	n/a	Tracy Lancashire

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There are no operational effectiveness matters to report				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

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RM

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
43C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2	-

Other Findings



A suite of training materials and procedures are available for Customer Services staff. These are subject to review and update by service leads.



Discussions with the Customer Services Unit Manager, established that there were no specific departmental risks linked to call handling with the targets having been met over the last 12 months. In terms of mitigating any risks to performance the following measures are in place:

- in terms of capacity, performance is reviewed on a daily basis and resources are realigned to address any peaks in demand;
- in terms of inability of call handlers to handle calls, training and supporting procedures are in place; and
- in terms of underlying data integrity, Netcall has received ISO accreditation and this is subject to independent audit.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	3	-
FC	Financial Constraint The process operates within the agreed financial budget for the year.	In place	-	-
PR	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

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Other Findings



The Customer Services Team Leader is able to view performance in real time and, where appropriate, focus resources accordingly.



Performance against target is routinely reported to the Housing and Community Overview and Scrutiny Committee.



The call handling element of Customer Services forms part of the overall cost centre for the Customer Services Unit. The overall cost centre has reported an underspend of £29k in 2020/21 and is currently showing a £15k underspend at the end of Quarter 1, with a prudent year end forecast of breakeven. The Service is delivering a cost saving following staffing changes as part of this current year forecast.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

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Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	10 th June 2021	10 th June 2021
Draft Report:	6 th October 2021	20 th October 2021
Final Report:	25 th October 2021	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Customer Services		
Type of Review:	Assurance	Audit Lead:	Head of Audit

Outline scope (per Annual Plan): It is essential that an organisation has a robust and effective Customer service in place. As this service is customer/ client facing and sets the tone of how the organisation operates. Scope: To review processes operating to ensure that calls are promptly and accurately recorded with an appropriate Audit trail. Internal Audit also reviewed the procedures in place in relation to open calls forwarded to 'back office' functions to ensure that calls are appropriately and promptly dealt with.

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Detailed scope will consider:

Directed	Delivery
Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Financial constraint: The process operates with the agreed financial budget for the year.
Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.

Requested additions to scope: (if required then please provide brief detail)

Exclusions from scope:

Planned Start Date:	9th July 2021	Exit Meeting Date:	10 th September 2021	Exit Meeting to be held with:	– Customer Services Team leader
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



AGENDA ITEM:

SUMMARY

Report for:	Audit Committee
Date of meeting:	10 November 2021
PART:	1
If Part II, reason:	

Title of report:	Strategic Risk Register Quarter 2 2021/22
Contact:	Cllr Graeme Elliot, Portfolio Holder Finance & Resources James Deane, Corporate Director (Finance & Operations) Linda Dargue, Lead Officer, Insurance & Risk
Purpose of report:	To provide the quarter 2 update on the Strategic Risk Register for 2021/22
Recommendations	That the content of this report is noted, that Committee seek further assurance where required and that Committee provide comments and feedback on the report for Cabinet to consider.
Corporate objectives:	All. Risk management is an essential part of ensuring that the Council meets all of its corporate objectives
Implications:	<u>Financial</u> Incorporated within the report.
'Value For Money Implications'	<u>Value for Money</u> Risk management is closely linked to the Council's commitment to ensure that all resources are used efficiently and forms part of effective financial planning. The Council also needs to ensure that adequate provisions are in place to address anticipated risks but that these are no greater than necessary so that maximum resources are applied to services as required. To this end, the Council sets minimum target working balances for both the general fund and HRA and at the date of this report, these minimum balances are secured. Budget exercises for 2021/22 will ensure that the minimum balance requirements will also be met for the next financial year.

Risk Implications	<p>Effective risk management is an important factor in all policymaking, planning and decision-making.</p> <p>Failure to manage risk effectively could have serious consequences for the Council leading to increased costs, wasted resources, prosecution and criticism under external assessments</p>
Community Impact Assessment	The content of this report does not require a Community Impact Assessment to be undertaken. Project and policy proposals identified to mitigate the risks on the Strategic Risk Register will be subject to individual Community Impact Assessments. These will be reported to Members on an individual basis.
Health And Safety Implications	Not applicable
Consultees:	Chief Officer Group
Background papers:	None.

Report

1. The revised Strategic Risk register showing the position at the end of Q2 2021/22 is attached at Appendix A.
2. There are no changes to the risk scores for this quarter, however the narrative has been reviewed and amended as appropriate to reflect the current position.
3. This iteration of the risk register, i.e. as at quarter 2, will be reported to Cabinet, and will include comments and suggestions as requested by the Audit Committee.

Risk Register Summary Table

Risk Name	Risk Owner	30 Sep 2021			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Cyber Attack	Linda Roberts	3	2	6	The Council continues to prioritise Cyber Security and preparations are in hand for annual third-party penetration testing in November 2021, a formal stage in the Public Sector Network (PSN) re-certification. The Council's approach to cyber security to Remote Access was recently audited by Internal Audit and the report found no urgent issues and two important ones.
Failure to secure sufficient investment in essential infrastructure required	Mark Gaynor	3	3	9	No Movement since Q1 2021
Funding and income is not sufficient to deliver the Council's Corporate Objectives	James Deane	3	3	9	No Movement since Q1 2021
Social media risk	Claire Hamilton	3	2	6	
The Council is unable to recruit and retain the staff required	Linda Roberts	3	2	6	As with many other organisations the Council is suffering from a lack of HGV driver availability. Current HGV drivers, in particular Waste Service drivers, are being approached by external organisations with significant increased pay offers. The Council has sought to mitigate this by training more staff to be HGV drivers and offering a retention bonus with appropriate clauses of £5k per driver.
The Council will be unable to ensure that sufficient good quality and affordable homes can be delivered	Mark Gaynor	3	3	9	No Movement since Q1 2021
Uncertainty around Brexit negotiations could result in additional demand for council services.	Mark Brookes	2	4	8	No Movement since Q1 2021

Risk Register Details Table

Risk Name		30 Sep 2021
Detail		Status
Page 50 Cyber Attack	Risk Owner	Linda Roberts
	Risk Description	Risk of cyber attack or ransomwear.
	Comments	The Council continues to prioritise Cyber Security and preparations are in hand for annual third-party penetration testing in November 2021, a formal stage in the Public Sector Network (PSN) re-certification. The Council's approach to cyber security to Remote Access was recently audited by Internal Audit and the report found no urgent issues and two important ones.
	Controls & Assurances	<p>The Council monitors and protects against threats with particular attention to the following, in line with the Government's Cyber Essentials direction:</p> <ul style="list-style-type: none"> • Boundary firewalls and internet gateways • Secure configuration • Access control • Malware protection • Patch management <p>The Council also ensures that system and operational data is backed up securely and regularly, and the process of restoring from those back-ups is tested regularly.</p>
	Evidence Risk is being managed	Adherence to National Cyber Security Centre (NCSC) Cyber Essentials (formally audited 2017); Public Sector Network (PSN) Compliance (including annual vulnerabilities assessment by approved cyber security consultancy)
	Consequences / Impacts	<p>At least 263 million cyber-attacks were carried out on UK local authorities in the first half of 2019 alone. Nearly half of all local authorities had experienced an attempted cyber-attack on their IT systems since 2017 and 37% of them had experienced cyber-attacks in the first half of 2019.</p> <p>The Council's ICT team is aware that its network is the subject of attempted cyber-attacks on a daily basis from a range of sources, likely to include organised crime and state operators.</p> <p>The potential consequences of a successful cyber-attack are extremely damaging to any organisation. In the public sector, cyber-attacks on NHS trusts have led to cancelled operations, including the WannaCry attack in 2017 that affected 45 NHS organisations. In 2016 Lincolnshire County Council were hit with a £1M demand following a ransomware infection and in 2020 Hackney Council was profoundly affected by a similar ransomware attack.</p> <p>Within Dacorum, a successful and extensive cyber-attack has the potential to impair the delivery of all services to its residents as well as the potential publication of sensitive and personal data. Any successful Cyber Attack could significantly impact the Council's reputation, as residents may lose confidence in the management of electronic records.</p>
Failure to secure sufficient investment in essential infrastructure	Risk Owner	Mark Gaynor
	Risk Description	That the Borough does not secure sufficient investment in essential infrastructure that is required for continued and improved economic performance and housing delivery that is sustainable and fit for the future
	Comments	No Movement since Q1 2021

Risk Name	Detail	30 Sep 2021 Status
required	Controls & Assurances	<p>Infrastructure is provided through the development process (s106 and Community Infrastructure Levy) and elements of funding which comes from central government (increasingly through the LEP, bidding and HCC). The responsibility for some infrastructure elements is through privatised arrangements (utilities) or arms-length government agencies such as Network Rail. The ability of the Council to control these processes is limited.</p> <p>The Council is able to promote the quantum, nature and timing of growth making it more likely that the infrastructure will be delivered. It is also able to promote partnerships and use its asset base and influence to stimulate desired development. Current controls include:</p> <ul style="list-style-type: none"> • Ensuring that the Local Plan (and its component elements such as site allocations, supporting policies and so on on) is up to date and sets out very clearly the requirements of proposed development. This promotes sustainable development by design, access and movement, materials. • Working with other South West Herts councils and HCC to make a case at national level for strategically important infrastructure • Bidding into government funding pots such as the Housing Infrastructure Fund where possible. • Use of masterplanning which supports what is required to be delivered to produce sustainability on larger sites and formalising as a Special Planning Document where appropriate to give it more 'teeth'. • The approved Council's Community Infrastructure Levy Policy and schedule (CIL) provides for the levels of contributions that must be made by developers and the purpose for which they will be spent. This also includes an element of CIL which can be spent by local communities and act to link growth directly with infrastructure provision that local people want. • Operating an 'open for business' approach to how the Council deals with potential development with a presumption of making acceptable development easier to deliver by proactive advice through the planning process. Allied to this is ensuring that the development management service is capable of achieving decision making within required time limits. • Stimulating required growth through the Council's own regeneration activity, including the Enterprise Zone making inward investment being more likely. • Increasing inward investment through initiatives such as Dacorum Look no Further, Ambassadors, direct provision of business advice and a supportive approach to new development. • Good market intelligence through regular liaison with local employers, landowners, developers, institutional investors and land agents regarding demand and expected assistance. • Partnership with the LEP as the main route for additional funding for infrastructure through influencing the Strategic Growth Plan (in which Hemel Hempstead and the M1 corridor is a priority) and bidding for resources for infrastructure (such as the £5M achieved for West Herts College) • Working to create key partnerships to bring forward development capable of funding major infrastructure such as Hemel Garden Communities with the Crown Estate, St Albans and City Council, HCC, the LEP and the Enterprise Zone.
	Evidence Risk is being managed	<p>These controls are exercised and reported within the following:</p> <ul style="list-style-type: none"> • Regular reporting to the Growth and Infrastructure Group, CMT, Cabinet and Overview and Scrutiny Committee • Fortnightly reporting on key projects to CMT • Reporting to Performance Board before each Cabinet Meeting • A clear programme for the Local Development Framework and CIL Quarterly reporting to Overview and Scrutiny • Regular reporting to Cabinet • Adherence to the agreed performance and project management processes <p>The process for setting out development delivered is through the Authority Monitoring Report. The agreed process for CIL will see an annual report setting out income due, income achieved and expenditure made on agreed infrastructure. Regular reports are made as set out above.</p>

Risk Name	Detail	30 Sep 2021 Status
	Consequences / Impacts	<p>The provision of infrastructure such as schools, health, transport and other facilities is crucial to sustainability of the local community and economy. Its funding, however, is increasingly complex and difficult as central government moves away from direct provision and expects the development process and local partnerships to deliver it. The risk is, therefore, that new development at a scale not experienced in Dacorum since the New Town development will not be matched with the infrastructure that a healthy and thriving community depends upon.</p> <p>Failure to provide this infrastructure will have a number of damaging consequences:</p> <ul style="list-style-type: none"> • a reduction in the quality of life and opportunities for people in the Borough • a serious constraint to economic growth with the impact on the prosperity of local people • reduced financial contribution to service provision through Business Rates growth • increased community opposition to new developments, particularly housing, on the grounds that existing infrastructure will not cope • damage to the image of the area, worsening of community pride and social cohesion and reputational damage to the Council. <p>The provision of infrastructure such as schools, health, transport and other facilities is crucial to sustainability of the local community and economy. Its funding, however, is increasingly complex and difficult as central government moves away from direct provision and expects the development process and local partnerships to deliver it.</p>
Funding and income is not sufficient to deliver the Council's Corporate Objectives	Risk Owner	James Deane
	Risk Description	Funding and income is not sufficient to deliver the Council's Corporate Objectives
	Comments	No Movement since Q1 2021

Risk Name	Detail	30 Sep 2021 Status
	Controls & Assurances	<p>The Council's Medium Term Financial Strategy (MTFS) and the HRA Business Plan are controls that mitigate the likelihood of this risk crystallising through the effective modelling of the future financial environment. Sound financial planning maximises the opportunity for the Council to identify funding risks in advance, and therefore grants more time for it to plan to provide its services differently in order to continue delivering its corporate priorities. The Council's sound financial planning processes, detailed below, have resulted in my reducing the inherent probability score from '4', Very Likely, to a residual probability score of '3', Likely.</p> <p>The MTFS details the financial implications of the Corporate Plan over a five-year period. It ensures that the Council is able to forecast likely income pressures in the medium-term, and optimise the balance between its financial resources and the delivery of its priorities. The MTFS is reviewed at least annually and is approved by Full Council, thereby providing the opportunity for Members to make informed amendments to the Corporate Plan on the basis of likely funding constraints.</p> <p>The 2020 MTFS refresh was delayed from its usual July publication until October (approved by Council in November) in order to optimise the evidence base for Covid-related forecasts into the medium-term. The Strategy adopted a two-pronged approach to combine the Council's need to 1) continue driving the efficiencies required to ensure underlying sustainability; and, 2) to protect frontline services in the face of the time-bound Covid pressures.</p> <p>The approved MTFS can be viewed on the October 2020 Cabinet Agenda, Item 8: (Public Pack)Agenda Document for Cabinet, 20/10/2020 19:30 (dacorum.gov.uk)</p> <p>In addition to a modified approach to the MTFS, quarterly Covid Updates have been reported to Cabinet throughout the year outlining the constantly evolving of the financial implications of the pandemic and the expected recession. The forecasts are kept under constant review and any updated forecasts that threaten the viability of the approved MTFS will be reported back to Members together with updated recommendations.</p> <p>As part of its Transformation Programme, the Council is seeking to deliver its Service Plans differently from 2021 – using a more cross-directorate approach and covering a longer period than the traditional one year. The closer alignment of the MTFS and Service Plans over a multi-year period should strengthen the Council's financial planning, and the cross-directorate approach unlock corporate opportunities that would be less clear under an individual approach to service planning.</p> <p>The Council's Housing Revenue Account (HRA) Business Plan maps planned income and expenditure over a thirty-year period. Government legislation that can affect the Council's delivery of social housing is incorporated within the plan and forms the basis for informed strategic decision-making.</p> <p>By keeping the Corporate Plan and Communications Strategy under review the Council is able to mitigate the impact of this risk, should it occur, by keeping residents informed of the pressures faced by the Council, and consequently by managing aspiration and expectation (detail below). On this basis, I have reduced the Impact score from '4', Severe, to '3', High.</p>

Risk Name	Detail	30 Sep 2021 Status
Page 54	Evidence Risk is being managed	<p>Internal Audit</p> <p>In recent months, the Council has received two independent, third-party audit reviews of the financial processes that contribute to the management of this risk:</p> <p>The 'Budgetary Control' process was audited by the Council's new Internal Auditors, TIAA, in October 2020, and received the highest level of assurance, with no recommendations or action points to follow up. This followed an audit by the outgoing Internal Auditors, Mazars, in March 2020 on 'Core Financial Systems and Budgetary Control' which also gave the highest level of assurance with no recommendations or action points.</p> <p>External Audit</p> <p>The 'Value for Money' opinion issued in Grant Thornton's 'Audit Findings' report in September 2020, was based on evaluation of the MTFS; the budget-setting process; the reserves policy and use; and, the Council's forecasting of the Covid threat and plans to deal with it. Grant Thornton's conclusion was:</p> <p>'Based on the work we performed to address the significant risks, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.'</p> <p>Internal validation</p> <p>The fact that the Council was in a position to approve an MTFS which is capable of funding forecast Covid pressures from reserves, is practical validation of its approach to managing the MTFS and reserves over recent years. Although the planned use of reserves will inevitably reduce the amount available for future investment in the borough, it has meant that the Council is able to protect the delivery of its frontline services into the medium-term.</p>
	Consequences / Impacts	<p>The Council is currently facing two fronts of significant financial uncertainty that both hamper planning and risk deliverability of the objectives within the Corporate Plan into the medium-term: 1) the ongoing uncertainty around future Government funding of local authorities, and 2) the financial implications of Covid.</p> <p>Government Funding</p> <p>The Council is currently operating on a one-year Finance Settlement from Government, the second in succession, following the conclusion of the 4-year deal in April 2019. One-year Settlements, and the planning challenges that accompany them, are expected to continue until Government implements its new funding allocation model following the completion of its Fair Funding Review As yet there is no certainty over the level of funding that Dacorum or any other authority can expect in the future, post-review. However, there is a strong belief across the sector that the new model will divert funding away from lower tier authorities in favour of those authorities with responsibility for the provision of social care. The Council must ensure that it's in a position to adapt to significant funding reductions at potentially short notice when the new model is announced.</p> <p>Covid Implications</p> <p>The Council faces significant expenditure and income pressures as a result of Covid. The pattern of expenditure pressures have thus far tended to be more-directly lock-down related and, therefore, are likely to be more short-term. Income pressures on the other hand, have a short-term element, e.g. dramatic loss of car parking income during lock-down, but also potentially an even more significant long-term effect through a recessionary impact on the Council's primary income generating services, e.g. commercial property.</p> <p>The magnitude of the potential Covid-related losses, combined with uncertainty around the duration of the pandemic and the unknown timing and severity of the expected recession creates a significant financial threat to the Council's in-year budget. In addition it adds further complexity and risk to the already challenging medium-term planning environment arising from one-year Government funding settlements.</p>

Risk Name		30 Sep 2021
Detail		Status
Social media risk	Risk Owner	Claire Hamilton
	Risk Description	Confidentiality and reputational issues
	Comments	
	Controls & Assurances	<p>The Council monitors and protects its social media presence through a Social Media Management Platform (Social SignIn). Social SignIn provides management options for automatic moderation of abusive messages and other risk mitigation tools.</p> <p>All staff are required to read and sign up to a range of policies including:</p> <ul style="list-style-type: none"> • Corporate Information Security Management Policy • Corporate Information Technology Security Policy • Data Protection Act Policy • Freedom of Information Policy • PSN/Government Connect (GSx) Acceptable Usage Policy • Information Security Incident Procedure
	Evidence Risk is being managed	<p>An audit of DBC's internal controls in strategy and governance, training and awareness, processes and technology, found that there is a sound system of internal control designed to achieve the system objectives.</p> <p>The communications team carry out training for new staff members and refresher training when needed.</p> <p>Social Media remains a key role in sending information and engaging with our residents/customers. This remains controlled and well managed as we experience very few instances where this causes issues for the Council.</p>
Consequences / Impacts	<p>"Almost nine in ten (86%) of UK adults now have internet access at home, and this is highest among those aged under 55. Facebook continues to be the largest social network service in the UK. In April 2016, it attracted a digital audience of 38.9 million (more than three-quarters of active internet users).</p> <p>This was larger than that of LinkedIn (21.8 million) and Twitter (20.9 million)" (Ofcom report 2016).</p> <p>By design, social media is widely accessible and offers users easy electronic communication of personal information and other content, such as news, videos and photos. With public participation and exchange of content so readily available, this introduces a certain level of risk.</p> <p>The consequences of using social media include members of the public, pressure groups or employees using DBC social media accounts to raise negative, confidential, incorrect or abusive statements/campaigns aimed at damaging the reputation of DBC. Similarly, the risk of DBC not using social media will exclude a large proportion of residents and key demographic groups including younger residents and businesses.</p>	
The Council is unable to recruit and retain the staff required	Risk Owner	Linda Roberts
	Risk Description	The Council is unable to recruit and retain the staff required to progress as a Modern and Efficient Council
	Comments	As with many other organisations the Council is suffering from a lack of HGV driver availability. Current HGV drivers, in particular Waste Service drivers, are being approached by external organisations with significant increased pay offers. The Council has sought to mitigate this by training more staff to be HGV drivers and offering a retention bonus with appropriate clauses of £5k per driver.

Risk Name	Detail	30 Sep 2021 Status
	Controls & Assurances	<p>A programme of work has been developed to enhance our ability to recruit and retain staff:</p> <ul style="list-style-type: none"> - Terms and conditions have already been reviewed to develop a range of benefits within the remuneration package - Flexible working arrangements are in place to ensure staff achieve a good work/life balance. <p>Further measures currently being developed and implemented include:</p> <ul style="list-style-type: none"> - Enhanced and expanded Graduate/apprenticeship scheme to create up to 8 new posts within areas experiencing recruitment and retention difficulties, this will be supported by a planned approach to utilising the Council's apprenticeship levy to support some of the professional training costs -SLT has agreed a further three graduates for 2021/22 from the National Graduate Development Programme (hosted by the Local Government Association) - Succession planning approach embedded into appraisals and service plans with supported by the career development plans. - Implementation of more robust management information which will be enabled by the implementation of a new Human Resources technology system - Streamlining of recruitment campaigns and modernisation of recruitment web pages including video clips; further develop the use of social media platforms for recruitment. - Hosting of recruitment days to generate interest in high volume recruitment service areas and retain CV's for future reference to fast track the filling of vacancies - Establish DBC as employer of choice by presence at careers fairs, developing links with Schools, Colleges and Universities. - As with many other organisations the Council is suffering from a lack of HGV driver availability. Current HGV drivers, in particular Waste Service drivers, are being approached by external organisations with significant increased pay offers. The Council has sought to mitigate this by training more staff to be HGV drivers and offering a retention bonus with appropriate clauses of £5k per driver.
	Evidence Risk is being managed	<p>Turnover remains reasonably low and it is infrequent that posts are re-advertised.</p> <p>Graduates have been appointed and we are working for LGA to appoint the next batch of three. HR will be working with services with recruitment challenges to ensure the graduates to support these areas in the first instance.</p>

Risk Name	Detail	30 Sep 2021 Status
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 57</p> <p>The Council will be unable to ensure that sufficient good quality and affordable</p>	Consequences / Impacts	<p>The Council is currently finding it challenging to recruit and retain staff with the appropriate skills to deliver all of its services, particularly within professional areas such as Legal, Finance, Surveyors, Environmental Health and Planning etc.</p> <p>This challenge has grown significantly over recent years – as the economy has emerged from the worst of the recession, the private sector employment market has become relatively more buoyant due to the continued constraints on public sector funding. General competition with the private sector for skilled employees is exacerbated for Dacorum by its close proximity to the higher salaries of the London market.</p> <p>This has resulted in the appointment of some agency staff across the Council in order to maintain service delivery. A reliance on agency staff brings a number of specific risks:</p> <ul style="list-style-type: none"> • Statutory – staff shortages can put delivery of the Council’s statutory services at risk, e.g. Environmental Health, Housing repairs and Fire safety, and Building Control; • Resilience – any need for agency staff leaves the Council vulnerable to potential higher turnover and loss of knowledge which can affect continuity of service provision; • Financial – the cost of agency staff is higher than for permanent staff, which can pressurise budgets in several areas across the Council. • Staff Morale - could be affected in areas which are carrying vacancies, due to increased workload pressure and as a result of lack of team rapport <p>This challenge affects all public sector organisations within the region, and a solution is high on the agenda for county-wide working groups of which DBC is a member</p>
	Risk Owner	Mark Gaynor
	Risk Description	The Council will be unable to ensure that sufficient good quality and affordable homes can be delivered, particularly for those most in need
	Comments	No Movement since Q1 2021

Risk Name	Detail	30 Sep 2021 Status
homes can be delive	Controls & Assurances	<p>The Local Plan is currently under development and is likely to go out for public consultation in the summer of 2019. This will incorporate a very high level of housing growth and the plan needs to ensure that the sites are identified and are likely to be delivered in the timescales identified. There will be a strong affordable housing policy, building on the current one, which will require at least 35% affordable homes on every scheme above 10 units. The council is strengthening its expertise in Planning on robustly testing developers viability submissions. This will include no longer accepting developer arguments that the cost of land prevents or reduces the amount of affordable they can deliver – they should take account of the council's policy when agreeing the price.</p> <p>Ensuring good masterplanning of the larger sites emerging from the Local Plan will mean that they are more likely to be built out as planned and will be more attractive for potential buyers.</p> <p>The Private Housing Service in Housing, which includes Private Renting, has been reshaped and is geared up to the licensing of up to 900 Houses in Multiple Occupation and addressing issue of disrepair and harassment in the sector. It will work with and support landlords who are prepared to grant longer tenancies which will allow families more security and stability.</p> <p>There is already a new build council home programme of 370 new homes by 2022 that is just starting. The government has announced that the cap on the HRA borrowing will be ended in April 2019 and the programme will be further expanded. A full assessment of the capacity of the HRA to move to an output of around 100-200 new homes per year will be made in the very near future and will gear up for that level of delivery. This will help, though not solve, the shortage of affordable homes for rent. Housing Associations will be encouraged to include social rented homes at lower rent levels than affordable to be built as grant is now available from Homes England for this aim.</p> <p>The introduction of the Homeless Reduction Act has allowed the Council to be geared up to dealing with an increased number of homeless households with the initial aim of preventing the homelessness from happening. One important route will be working with those private landlords that have a desire to help those in housing need, and there are many, to be able to continue renting without losing income.</p>
	Evidence Risk is being managed	<p>The process for setting out development delivered is through the Authority Monitoring Report. The agreed process for CIL will see an annual report setting out income due, achieved and expenditure made on agreed infrastructure. Regular reports are made as set out above in controls.</p> <p>Regular reports will also made to the Housing and Community Overview and Scrutiny Committee on new build council homes, homeliness performance, and Private Renting sector performance.</p>

Risk Name	Detail	30 Sep 2021 Status
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 59</p>	<p>Consequences / Impacts</p>	<p>Housing costs in Dacorum are already extremely high and among the highest in the country outside of London. The impact of this is that local people (and potential new residents) face considerable difficulties accessing decent and affordable homes. This has potential risks in increased homelessness, difficulties in attracting new business and inward investment and breakdown of family support networks if people have to move away or have to stay longer in parental homes than is desirable.</p> <p>The causes for this are complex and varied, and some are outside of the Council's control, but include:</p> <ul style="list-style-type: none"> • The high cost of owner occupation due to location, local income levels, market shortage and increasing demand from people moving out from London. <p>This can mean owner occupation is well beyond the reach of a large number of local people.</p> <ul style="list-style-type: none"> • The Private Rented Sector is not focused on providing homes of quality to those on low incomes with short 6 months tenancies and often in poor condition. • The planning system does not have the levers to require new homes to be built and with respect of providing affordable homes the rented product – usually affordable rent at 80% of market rent - they are too expensive for those on low incomes. • There are still cuts being made to the benefits systems and Universal Credit has seen a dramatic increase in the levels of rent arrears in those areas that have already had the full roll out. This will cause further difficulty for low income households to afford rent and would lead to still further homelessness. <p>The key risks this raises for the Council are:</p> <ul style="list-style-type: none"> • The supply of homes is unable to match demand • An increase in the levels of homelessness resulting from landlords in private renting seeking to maximise their rents • The impact of Universal Credit roll out leading to increased arrears, debt and homelessness • A general risk that the construction industry may not have the capacity to meet the level of demand for development • The HRA will not be able to access sufficient funds to fulfil the Council's programme of social rented housing

Risk Name	Detail	30 Sep 2021
		Status
Uncertainty around Brexit negotiations could result additional demand for council services.	Risk Owner	Mark Brookes
	Risk Description	Uncertainty around Brexit negotiations could result in the Council facing additional demand for its services in the short to medium-ter
	Comments	No Movement since Q1 2021
	Controls & Assurances	<p>The Chief Executive prepared a report to Members outlining the sector's view on where the key Brexit risks currently lie.</p> <p>The Senior Leadership Team (SLT) has received a report from the Assistant Director (Corporate and Contracted Services), who is leading on Brexit risk, highlighting key risk areas for the Council which continue to be monitored with the wide Corporate Leadership Team . All service areas are represented at SLT, and the majority of SLTT members operate within county- and nation-wide professional groups. This means that the knowledge reach of the group is wide and varied, meaning that emerging issues are likely to be raised for discussion around impact as they arise.</p> <p>The Assistant Director, Corporate and Contracted Services also sits on a multi-agency county wide Tactical Coordination Group which monitors the EU Transition period although as the risk has reduced in early 2021 and this group was stood down in February 2021.</p> <p>SLT has also ensured that all service areas revisit their Business Continuity plans to ensure that they remain up-to-date and capable of mitigating known and emerging risks.</p> <p>SLT also review and update the Corporate Brexit risk register.</p> <p>The Leader of the Council and the Chief Executive have taken part in webinars hosted by MHCLG with various Government departments in preparation for Brexit.</p>
	Evidence Risk is being managed	The subject of Brexit is reviewed by SLT if there are any specific issues or impacts for discussion. Members will be kept advised as more information becomes available.
	Consequences / Impacts	<p>On 23rd June 2016, the UK voted in a referendum to leave the European Union (EU). Article 50 was triggered on 27th March 2017 starting a two year formal process for leaving the EU. The UK left the EU on 31 January 2020 with a withdrawal agreement which is subject to a transition period ending on 31st December 2020. The UK have now reached agreement on how the future relationship will work, including trade, energy, transport, social security, law enforcement, health and scientific collaboration and dispute settlement.</p> <p>The agreement now reached gives the Council greater certainty and there has been no noticeable increased demand for its services in 2021 as a direct result of Brexit.</p> <p>Brexit does still pose a strategic threat to the Council primarily because there is lack of clarity over how or to what extent the outcome may threaten achievement of its corporate priorities. In the absence of more detail, the Council is, in general terms, planning to 'be prepared'.</p> <p>In addition, there is the possibility that the Council may be required to carry out functions under its Civil Contingencies responsibilities, although in early 2021 this threat has not come to fruition to date.</p>

WORK PROGRAMME

Meeting Date	Report Deadline	Standard Agenda Items	Details
03/02/22	01/11/21	Apologies for Absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit	Absence Management Procurement FOI Waste Management NNDR Council Tax Housing Benefits
		Work Programme	