



Public Document Pack
**Audit
AGENDA**

WEDNESDAY 22 JUNE 2022 AT 7.30 PM

COUNCIL CHAMBER, THE FORUM

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 Chapman (Chairman)
Councillor Sobaan Mahmood
Councillor Riddick

Councillor Silwal
Councillor Symington
Councillor Townsend

For further information, please contact Corporate and Democratic Support on 01442 228209 or email member.support@dacorum.gov.uk

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 4 - 10)

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. EXTERNAL AUDIT UPDATE/AUDIT PLAN CHANGES 21/22

6. HOUSING SERVICE PERFORMANCE UPDATE (Pages 11 - 13)

7. INTERNAL AUDIT (Pages 14 - 94)

- A. 21/22 Internal Audit Annual Report
- B. Performance Report – Summary Internal Controls Assurance (SICA)
- C. Internal Audit Service Reports:
 - a. Business Continuity
 - b. Safeguarding and Prevention
 - c. Governance and Risk
 - d. Recruitment

8. STRATEGIC RISK REGISTER UPDATE Q4 21/22 (Pages 95 - 130)

9. WORK PROGRAMME (Pages 131 - 132)

Agenda Item 3

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON: 29 March 2022

ATTENDING

Councillors:

Councillor Chapman (Chairman)
Councillor Silwal
Councillor SO.Mahmood
Councillor Birnie
Councilor Townsend

Outside Representatives:**DBC Officers:**

Fiona Jump
Oliver Jackson
Ajay Jha
Craig Thorpe
Marie Sells

Grant Thornton

Paul Cuttle

TIAA

Philip Lazenby

The Meeting commenced at. 19:30

No.	AGENDA ITEM
1	Apologies for Absence Apologies were noted from Cllr Symington.

2	<p>Minutes of the Previous Meeting</p> <p>The Minutes of the previous meeting were reviewed and agreed with the following comments</p> <p>Cllr Birnie noted that 'response audible' was noted twice on page 6 of the minutes and asked if this meant that the responses had therefore been lost. It was noted that this could be checked with Member Support to check if any additional notes were made but that the response may not have been audible as part of the recording.</p> <p>ACTION:</p> <p>To check if any additional notes were made on items noted as audible in the previous minutes.</p>
3	<p>Declarations of Interest</p> <p>There were no Declarations of Interest.</p>
4	<p>Public Participation</p> <p>There was no public Participation.</p>
5	<p>External Audit Auditor's Annual Report 2020-21</p> <p>AJha referred to the auditor's report, noting the change in reporting on VFM work and that this year there is no requirement to provide a qualified or unqualified BFM conclusion and instead they are required to report on overall arrangements including financial sustainability, governance and the 3 Es of VFM. Recommendations and any significant weaknesses are then raised as a result of this. AJha noted the types of recommendations that can be given with statutory recommendations where significant weaknesses have to be disclosed publicly and a response to reports has to be provided, and that no such recommendations have been identified. Key recommendations are on significant weaknesses regarding governance, financial sustainability and the 3 Es of VFM, and it was confirmed that none have been identified.</p> <p>AJha confirmed that some recommendations for improvement regarding processes and benchmarking have been made, as detailed on pages 15-16 of the report. AJha noted that recommendations were raised on governance and economy efficiency and effectiveness, and took the report as read. It was confirmed that the recommendations have been acted upon by the management and an action plan has been drafted, which forms part of the recommendation.</p> <p>Cllr Birnie commented on the accuracy of the KPIs, noting that this has been encountered across numerous parts of the council, and asked if there was a date for this improvement. AJha explained that this was being worked upon and the process has started, and that there would be a review of recommendations that have been raised. Cllr Birnie noted</p>

	<p>page 26 of the report that states the KPI review would be completed in February 2022. It was confirmed that this was management's comment when the report was submitted in December and would be reviewed again. FJump added that the recommendation regarding KPIs was for the council to further publish their confidence behind each KPI rather than the accuracy of the reports. Cllr Birnie stated that his focus was on SPAE and that the officer in charge of Cupid Green has asked for KPIs to be reviewed. FJump confirmed that specific KPIs would be looked at as part of the service review process and that this is underway, and a timescale could be brought back to the Committee if required.</p>
6	<p>External Audit Annual Audit Plan 2021-22</p> <p>The report was taken as read.</p> <p>The key factors and significant risks were highlighted, as outlined on page 39 of the report. It was confirmed that the materiality levels will be £3m, which remains unchanged from last year, and the benchmark of 2% of the prior year gross expenditure also remains unchanged. Any identified errors above £150k will be reported, though any errors over £3m will need to be adjusted, with the methodology remaining the same as last year.</p> <p>Significant risks have been identified as:</p> <ul style="list-style-type: none"> • Material misstatement of accounts • Fraud risk over expenditure recognition • Management override of controls • Valuation of the land, buildings and pensions being misstated <p>Auditors are required to comment on any cautious or optimistic estimates, as per ISA 560, and it is felt there is significant judgement involved in the estimations of land, buildings, council dwellings, accruals and pension fund liabilities.</p> <p>Cllr Birnie commented on Grant Thornton's inspection by the FRC, noting that 9 audits were reviewed, and asked if DBC was included in any of these. It was confirmed that none of those reviewed included the public sector and that Grant Thornton had performed well against the big 4.</p> <p>An update was provided on the housing benefit audit where it was noted that the audit should be closed by 15th April with a report to be submitted thereafter.</p> <p>Cllr Townsend queried the timings of the audit report. It was confirmed that this is set out on page 49 of the report and that the aim is to start the final audit by July for completion by September. An audit opinion and findings report should be submitted for the Audit Committee meeting on 15th September.</p>
7	<p>Summary Internal Controls Assurance (SICA) Report</p> <p>PLazenby provided an overview of audit reports, noting that 2 audit reports have been completed since the last meeting. 1 audit report has been delayed due to no DBC representative being available for the last meeting to provide a response, and that this has now been provided today. It was confirmed that there is a range of audit opinions</p>

with 1 substantial, 1 limited and 1 reasonable.

For the Housing Rents report, it was confirmed that there were 4 important, 2 routine and 2 operational recommendations made. The audit identified that Housing Rents are present in relation to payments arrears and former tenant arrears, though there are issues regarding priority 1s with all cases having inconsistencies and a general failure in escalation. Performance of individuals in relation to current tenant arrears and systems in relation to former tenant areas was also queried. A management response was given in relation to issues raised, indicating that responses are being addressed in a timely manner. There was also some mitigation with management contributing to observations as well as through the recruitment of 2 posts. It was also noted that management have provided a response regarding the balance of the suspense account and have confirmed this will be reviewed in September. It was confirmed that no issues were overly concerning in nature, but that errors and consistency were present in a reasonable proportion of items reviewed and that management must address underlying issues. It was also noted analytical techniques will be brought into next year's plan and that issues must therefore be addressed.

Cllr Birnie asked why it took 2 years for the auditors to discover that the rent arrears, and write-off policy review was 5 years overdue. It was confirmed that the audit programme runs across a 3-year rolling plan and that this had not been incorporated within the plan. Cllr Birnie stated that this was important as part of the rent arrears and that he was surprised it had not been reviewed. OJackson confirmed that a light-touch review of the policy has been carried out and a full review is booked in for Q2.

Cllr Birnie commented there was no figure for the total of arrears over the period. PLazenby confirmed that this was not included in the report and that the review was on the process rather than the figures.

Cllr Birnie noted the appointment of 2 further housing officers and asked if the amount of arrears and write-offs justified this expense. OJackson advised that the growth bid was submitted for 2 additional income officers, which includes a number of KPIs, and they are recruited on a 2-year fixed-term basis to allow the impact of these 2 additional posts to be assessed. It was noted that the addition of these 2 members of staff also brought the team in line with other neighbouring authorities.

Cllr Birnie remarked that he hoped F&R Committee have access to the figures, adding that this was not the case for the SPAE O&S Committee, and that he felt there was a discharge between the Audit Committee assessing matters after the event and committees that assess specific issues on a quarterly basis. Cllr Chapman agreed, stating that an update as the matter progresses would be beneficial.

Cllr Chapman referred to page 67 of the report, asking if the draft regarding the business community was now complete. PLazenby advised that it was due to be issued by the end of the week.

PLazenby confirmed no significant concerns were raised in the Debtors and Arrears review with 2 low-priority recommendations made in relation to debt management and appropriate management actions have been provided. It was also noted that financial controls in this area have remained strong.

PLazenby next looked to the Waste Management report, stating that there was a long

series of non-compliance with operational matters, resulting in 20 recommendations raised of which 3 are urgent, 10 are important and 7 are routine. Concerns included defect reports not being completed, checks not being undertaken, defect numbers not being reported, fluid checks being ticked off at the end of the route, and completion of insurance claims forms.

Cllr Birnie noted his surprise that, despite the number of failings recorded, that it is stated in the report that there has been no reduction in effectiveness. Cllr Birnie acknowledged the pressure on the team at Cupid Green but that a number of failings had been raised and he was therefore unsure how these could not affect Waste Management's operations. PLazenby confirmed that Cllr Birnie was referring to the audit plan memorandum, which is completed at the start of the audit based on management's assertions at the start of the review.

PLazenby covered some of the concerns raised in more detail. It was noted there was no central process for monitoring required medical updates and that drivers' sheets were not being fully completed in a timely manner in the majority of cases examined. On operations, it was identified in 4 incidents that drivers had not followed expected processes with drivers having different understandings of limits. Handbooks were not signed and management indicated that this was in the process of being resolved. It was noted that a depot transformation programme was due to be commenced in January 2021 with a view for potential implementation at the end of Q3, which would help with the requirements noted, and the response alone forms much of the risk management responses. In the event that this doesn't occur, a different set of management responses and mitigations will be required, so will require substantial follow-up work to provide sufficient assurance that underlying risks are being addressed.

Cllr Birnie commented that the audit report had highlighted a number of items that should have been highlighted to the SPAE O&S Committee and none of these matters had been mentioned. Cllr Birnie noted that a number of officers report to the Committee and he read out the following:

"A difficult quarter for Waste Services due to the loss of 200 days due to Covid-related absence and the national shortage of drivers, resulting in the loss of 5 full-time and a number of agency LGV drivers. Despite this, all services were maintained without significant disruption. Market supplement agreed and paid LGV drivers, subsequently all 5 drivers who left requested to return and 4 out of the 5 have been re-employed."

Cllr Birnie noted that the Committee had been delighted with the report provided to the SPAE O&S Committee and returned to an earlier comment regarding a lack of information being provided to committees who are supposed to be scrutinising issues on a quarterly basis. Cllr Birnie reiterated that no identified issues were reported to the SPAE O&S Committee during Q3, with no mention of the internal audit or concerns raised. Cllr Birnie suggested that Waste Management should figure heavily in the next audit plan given the failings highlighted in the report, adding that Cabinet should look closely at the relationship between the Audit Committee and scrutiny committees. Cllr Chapman agreed that full information should be provided but that he felt Cupid Green had performed well despite the number of absences and difficult circumstances.

Cllr Townsend commented that he felt the team at Cupid Green had performed well and that the report didn't suggest the work wasn't being done. Cllr Townsend noted that one of the mitigations is listed as ongoing and that he found this unsatisfactory and asked for

an update on the actions taken so far.

CThorpe remarked that the findings on Waste Management had been surprising and that the picture isn't as bleak as has been presented. It was noted that there have been communication problems with drivers and transport managers, and motivational differences, and that they don't know that drivers have not completed checks until they go out. Regarding on-board scales, it was noted that this is a calibration issue and that there have only been 2 overloads in the last year and none were over the legal limit. It was confirmed that weight limits are set 1 ton below the legal vehicle capacity and that it is down to the driver to perform vehicle calibrations, though actions are taken when a weight ticket is received.

Cllr Silwal acknowledged the shortage of drivers and asked if recorded incidents had been performed by the same drivers. CThorpe confirmed that numerous agency drivers have been used over the last 2 years, and that it was difficult to provide the level of detail on training for agency drivers compared to those who work for DBC who have a 1-2 day induction on vehicle checks. It was also noted that there have been difficulties in attracting agency drivers due to salary levels. CThorpe advised that he had identified issues over the last year and wanted the audit to take place.

Cllr Silwal commented that actions need to be taken if drivers repeatedly make mistakes. CThorpe confirmed that actions are taken when drivers are found to be non-compliant and disciplinary cases have taken place. A comment was also made that waste drivers had worked well during the pandemic and that there had been a national shortage of drivers, and that the issues raised could be easily mitigated.

Cllr Birnie stated that he had the highest regard for CThorpe and his team and that his concern was around the lack of information coming to the SPAE O&S Committee.

Cllr Townsend referred to page 93 of the report and the concern on the scales, noting that the management comments state that any vehicles exceeding a safe weight is issued with a defect number. Cllr Townsend stated that he would expect a further commitment to address the finding and asked if the management comments provided do this. PLazenby advised that the engagement of the audit was a commitment by the organisation to provide transparency on issues that need to be addressed and risks that need to be mitigated to then track improvements going forward. PLazenby noted that no audit had previously looked at this topic and that management responses are not in the form that they would want, and while they mostly provide key dates, the control, risks and responses don't align as they would in departments used to regular audits. PLazenby confirmed that they would address the responses as part of the follow-up processes to ensure that the response has been actioned and that the root cause has been addressed.

Cllr Townsend recommended that wordings be given to the Audit Committee to provide reasonable assurance that the concerns will be addressed. PLazenby suggested that rather than provide an updated report with revised responses, they instead incorporate all recommendations as part of the follow-up to the next Audit Committee with an updated response on the underlying risk. Cllr Townsend agreed with the proposal. FJump confirmed that they would work with PLazenby on providing this.

CThorpe commented on the item regarding on-board scales, stating that the vehicle was never over its legal load as it is set 1 ton less, and that the issue was that the driver was not informing them that the vehicle was going out of calibration. CThorpe stated that any

	<p>weighing system will go out of calibration, and that the comments on continuing to monitor this and setting loads 1 ton less below the legal limit means they don't risk the vehicle being overloaded.</p> <p>Cllr Birnie noted the reference in the report to CPC checks not being done and that it is the driver's responsibility to keep these up to date. Cllr Birnie asked if they are putting too much on drivers and if supervisors in the depot should instead perform these checks. CThorpe advised that drivers' CPC cards and driving licences are checked every morning. For new or agency drivers, their CPC may not be in date and that this won't be known until their licence is taken from them. Cllr Birnie asked if ongoing checks could be performed from a management point of view. CThorpe confirmed that they arrange training for their own drivers and therefore know their CPC dates, but that this is more challenging with new or agency drivers.</p>
8	<p>Annual Internal Audit Programme 2022-23</p> <p>PLazenby presented the internal audit plan, noting that the 3-year rolling plan has been previously presented. The current plan is as is listed in the programme, and PLazenby noted that some dates may have changed, such as bringing some audits forward.</p> <p>Cllr Townsend asked if they could suggest items for audit. PLazenby confirmed that the plan is malleable and further topics could be recommended. Cllr Townsend commented on the planning application process, noting issues with viewing plans in the portal and not being able to comment on amended plans. Cllr Townsend recommended that an audit be conducted on whether those who are asked to comment on plans are seeing the right ones and whether there are any operational issues in the process. FJump noted that there was potential time in the plan to allocate to this and that this request would be looked into further. Cllr Birnie noted the new planning system is being embedded and commented that he was pleased to see planning enforcement listed.</p>
9	<p>Strategic Risk Register Update Q3 2021-22</p> <p>FJump noted that no papers had been tabled for the item and asked that it therefore be deferred to the next meeting. The Committee agreed that the item be deferred.</p>
10	<p>Work Programme</p> <p>Cllr Chapman noted the work programme and confirmed no further additions.</p>
	There being no further business the meeting ended at 21:05

Agenda Item 6

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Dacorum Borough Council

Internal Audit Annual Report
Page 13
2021/22

May 2022

Agenda Item 7

Internal Audit Annual Report

Introduction

This is the 2021/22 Annual Report by TIAA on the internal control environment at Dacorum Borough Council (the ‘Council’). The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control. This report, which incorporates CIPFA guidance on the potential limitation of scope brought about by the impact of COVID-19, is designed to assist the Council in making its annual governance statement.

Limitations on our opinion arising from Covid-19

The impact of COVID-19 on many organisations has continued to be felt throughout 2021/22 with restrictions continuing to be applied. This has been compounded by the emergence of new variants which has required the vaccination and booster programme to be accelerated. These have impacted staff availability and organisational capacity. It is acknowledged that this has affected some sectors more than others.

For internal audit the question remains as to whether sufficient internal audit work has been undertaken to gain assurance during 2021/22. This is a key consideration to fulfil the requirement of the Public Sector Internal Audit Standards (PSIAS) for the Head of Internal Audit (HIA) when issuing their annual opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. This opinion is in turn one of the sources of assurance that the organisation relies on for its Annual Governance Statement. Factors that need to be taken in to account in reaching a conclusion include:

- Has any reduction in coverage compared to what was planned resulted in insufficient assurance work?
- Have any limitations in the scope of individual assignments resulted in it only being possible to place partial assurance on the outcome?
- Have changes in ways of working led to gaps in the governance, risk management and control arrangements?

TIAA understands the considerable challenges and the difficult decisions that organisations are having to deal with, however, the professional and regulatory expectations on public bodies to ensure that their internal audit arrangements conform with PSIAS have not changed. In this difficult situation, heads of internal audit will need

to consider whether they can still issue the annual opinion or whether there will need to be a limitation of scope.

A limitation of scope arises where the HIA is unable to draw on sufficient assurance to issue a complete annual opinion in accordance with the professional standards. This is an issue not only for the HIA but also for the leadership team and the audit committee who normally rely on that opinion. It may also have wider consequences for stakeholder assessments of the organisation.

What this means for Dacorum Borough Council

There has been minimal or no impact on the delivery of the internal audit work for 2021/22 as a result of the COVID-19 pandemic. Whilst there was an impact on delivery of the work in the early part of the year during the initial lockdown, we are able to deliver the planned work by year-end (or shortly thereafter). There have been no changes to the planned work as a result of COVID-19; any changes to the plan were based on purely on business/operational need.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Dacorum Borough Council has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Council from its various sources of assurance.

Internal Audit Planned Coverage and Output

The 2021/22 Annual Audit Plan approved by the Audit Committee was for 250 days of internal audit coverage in the year.

During the year there was no changes to the Audit Plan.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

An extra piece of work, Business Grants, was carried out which was in addition to that set out in the Annual Audit Plan.

Assurance

TIAA carried out 20 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Council's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	6	11
Reasonable Assurance	12	2
Limited Assurance	2	0
No Assurance	0	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2021/22. The numbers in brackets relate to 2020/21 recommendations

Urgent	Important	Routine
3 (0)	41 (9)	49 (12)

Audit Summary

Control weaknesses: There were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited assurance'. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	2	6	14
Risk Mitigation	0	3	2
Compliance	1	29	24
Delivery			
Performance Monitoring	0	2	2
Financial Constraint	0	0	1
Resilience	0	1	6

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
10

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2017 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards and relevant guidance issued by the Accounts & Audit Regulations 2015.

Release of Report

The table below sets out the history of this Annual Report.

Date Report issued:	27 th May 2022
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Annexes

Annex A

Actual against planned Internal Audit Work 2021/22

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Absence Management	Assurance	10	10	Reasonable	
Recruitment	Assurance	10	10	Reasonable	Draft Report issued
Payroll	Assurance	10	10	Reasonable	
Business Continuity (inc Pandemic Response)	Assurance	10	10	Reasonable	
ICT – Network Security (Remote Access)	Assurance	10	10	Reasonable	
Customer Services	Assurance	8	8	Substantial	
Procurement	Assurance	10	10	Reasonable	
Freedom of Information	Assurance	8	8	Reasonable	
Corporate Health & Safety	Assurance	10	0	-	Cancelled – Included in 2022/23 Audit Plan
Waste Management	Assurance	15	15	Limited	
Key Financial Controls	Assurance	15	15	Substantial	
Budgetary Control	Assurance	8	8	Substantial	
NNDR	Assurance	8	8	Substantial	
Council Tax	Assurance	8	8	Substantial	
Housing Benefits	Assurance	8	8	Substantial	
Housing Rents	Assurance	8	8	Reasonable	
Empty Homes	Assurance	10	10	Reasonable	Draft Report issued
Planning Enforcement	Assurance	10	10	Limited	
Safeguarding & Prevention	Assurance	10	10	Reasonable	
Governance & Risk Management	Assurance	10	10	Reasonable	Draft Report issued

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Business Grants	Compliance	0	5	Reasonable	Additional review requested by Section 151 Officer
Benchmarking	Assurance	10	0		Deferred to 2022/23
Follow-up		10	10		
Update Strategic Risks		5	0		Deferred to 2022/23
Audit Committee Training		5	0		Deferred to 2022/23
Contingency		5	0		Cancelled
Annual Planning		4	4		
Annual Report		2	2		
Audit Management		13	13		
Total Days		250	230		

Dacorum Borough Council

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Summary Internal Controls Assurance (SICA) Report

2022/23

June 2022

Summary Internal Controls Assurance

Introduction

- 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 10th June 2022.

Audits completed since the last SICA report to the Audit Committee

- 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
2021/22 Safeguarding & Prevention	Reasonable	March 2022	April 2022	April 2022	0	3	2	0
2021/22 Business Continuity (incl Pandemic Response)	Reasonable	April 2022	April 2022	May 2022	0	4	6	1
2021/22 Governance & Risk Management	Reasonable	May 2022	June 2022	June 2022	0	4	3	1
2021/22 Recruitment	Reasonable	May 2022	June 2022	June 2022	0	1	4	0

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- 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 2022/23 Annual Plan

- Our progress against the Annual Plan for 2022/23 is set out in Appendix B.

Changes to the Annual Plan 2022/23

- There a number of areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2022/23. 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 acting on priority 1 & 2 recommendations

6. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. Management are in the process of updating the Tracker for the recommendations noted in the table below, which will be reported to the next Audit Committee.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1	Priority 2
2020/21 GDPR	April 2021	0 0 0	1 0 1
2021/22 Customer Services	October 2021	0 0 0	0 0 1
2021/22 Freedom of Information	November 2021	0 0 0	0 0 1
2021/22 Procurement	January 2022	0 0 0	0 0 2
2021/22 Waste Management	January 2022	1 0 2	6 0 4
2021/22 Housing Rents	March 2022	0 0 0	1 1 2
2021/22 Planning Enforcement	March 2022	0 0 0	0 0 5

Frauds/Irregularities

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

Responsibility/Disclaimer

8. 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
2021/22 Safeguarding & Prevention	Reasonable
2021/22 Business Continuity (incl Pandemic Response)	Reasonable
2021/22 Governance & Risk Management	Reasonable
2021/22 Recruitment	Reasonable

Safeguarding & Prevention - Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Not identified as a direct Key Strategic Risk however in line with the organisational objectives and was raised as a risk by management at the time the 3 year plan was discussed.

KEY STRATEGIC FINDINGS

The Council has a comprehensive Safeguarding Policy which expires in March 2022. The Policy was being reviewed but was awaiting more significant updates linked to the Council's restructure and significantly a planned change in approach to the Designated Safeguarding Leads.

A sample review of training records identified 3/10 instances where safeguarding training had expired (one councillor and two managers), with expiry dates ranging back to 2019.

There is no clear approach to the safeguarding requirements expected of contractors working for the Council. The approach differs depending on the basis of the contract award and instances were identified where contractors would be public facing but no safeguarding requirements were put in place by the Council.

GOOD PRACTICE IDENTIFIED

The Council completed a comprehensive self-assessment against the standards and requirements of the Hertfordshire Safeguarding Adults Board (HSAB) criteria. The assessment, and associated presentation, was comprehensive and recognised as such by the HSAB.

The Council has developed an action plan to address issues arising from the self-assessment and additional comments raised by the HSAB. The action plan has been formally reviewed and approved by the Council's Senior Leadership Team.

SCOPE

The review has examined the Council's self-assessment and associated action plan required by the Hertfordshire Adult Safeguarding Board (HSAB), the adequacy of the Council's safeguarding related training and awareness (staff/members/contractors) and the Council's safeguarding related information systems.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	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)
1	Directed	The Council has a comprehensive Safeguarding Policy and supporting Procedures. This was approved in March 2019 and is in date until March 2022. Whilst evidence of the Policy being reviewed and updated was seen during the course of the audit, it is currently awaiting key updates relating to the Council's restructure and significantly a planned change in approach to the Designated Safeguarding Leads.	The Policy be reviewed and updated in line with the proposed changes and communicated to staff at the earliest opportunity.	2	<i>Policy is in the process of being reviewed and updated following staff changes and changes to the designated safeguarding leads.</i>	31/07/22	Sue Warren, Lead Officer, Safeguarding
Page 24	Directed	Review of a sample of 10 members of staff/councillors identified that in 3 cases, Safeguarding training was out of date (expiry dates ranging from July 2019 to December 2021). The 3 cases related to 1 Councillor (Sept 2020) and 2 Managers (July 2019 and December 2021). Whilst this will have been flagged up to more senior managers due to the automatic escalation nature of the training system, the training modules remained outstanding.	All Staff and Councillors be instructed to complete any outstanding Safeguarding related training.	2	<i>All training is on DORIS and if it is mandatory training then the individual will receive reminder emails to prompt them to book the specific course. Training is also reviewed by line managers who again can prompt individuals to book themselves on courses.</i> <i>Training Team to run a report to see who has completed the safeguarding training and for those outstanding, the training team will send out a reminder email.</i> <i>Report to be run every quarter to monitor.</i>	30/04/22 31/07/22	Priti Gohill, HR & OD Team Leader Priti Gohill, HR & OD Team Leader Priti Gohill, HR & OD Team Leader

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>Review of the safeguarding requirements for contractors, noted a fragmented approach, as set out below:</p> <ul style="list-style-type: none"> • where tenders are let by the Council (>£75k), the tender process and resultant contract imposes Safeguarding requirements on the contractor; • where contracts are awarded through the Framework agreements, these will be let in accordance with the relevant Framework terms, which may or may not contain appropriate Safeguarding expectations; and • for lower value contracts it is less clear, with a mixture of the Council's standard terms and conditions forming the contract or the supplier's terms and conditions being adopted. <p>There is therefore no consistent obligation on contractors to comply with Safeguarding practices. A review of the 2021/22 procurement register identified contracts below the £75k tender threshold that would necessitate contractors interacting with the public.</p>	<p>The Council introduce contractual terms, in line with those in place for tendered contracts, to apply to all procurements where contractors are likely to interact with the public.</p>	2	<p><i>Safeguarding clauses to be included (generally stated in the agreement where relevant) introduce additional clauses into the agreements where safeguarding is required and not included in the standard agreement.</i></p> <p><i>For below threshold agreements (£75k and below) this is more difficult. Procurement in general will not have sight of these and on most occasions the officers will manage this, meaning the Council will sign up to the suppliers Terms and Conditions and it will be governed by the Council's T&Cs on our Purchase Order. T&Cs being reviewed by Legal and add a safeguarding clause which can be referred to on the Council's Purchase Orders.</i></p> <p><i>Raise awareness to the clause around the Council so any contract where there is interaction with the public should be included in any new agreements.</i></p>	31/05/22 31/08/22 31/08/22	<p>Andrew Linden, Procurement, Team Leader</p> <p>Andrew Linden, Procurement Team Leader</p> <p>Andrew Linden</p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Delivery	<p>At the time of the audit review, the Council utilised the Community Safety mailbox and supporting spreadsheet records to record and monitor the receipt and actioning of safeguarding related referrals/requests.</p> <p>This is cumbersome and involves manual monitoring via a combination of the mailbox and the spreadsheet records. In April 2022, it is planned to trial moving to a more bespoke case management system which will allow all key information to be recorded and significantly will support enhanced data interaction with existing systems and also improved reporting and analysis.</p>	The planned trial and subsequent implementation of the Inform case management system be progressed as scheduled.	3	<i>InForm system is being trialled by the Community safety team to ensure it is fit for purpose.</i>	31/05/22	Joe Guiton, Team Leader, Community Safety & Children's Services
5	Delivery	<p>Review of reporting to the Housing and Community Overview and Scrutiny Committee established that the level of safeguarding referrals had been reported as part of the People and Communities Performance Report for quarters 1, 2 and 3. Whilst the level of activity had been reported it was noted that there were no specific KPIs in relation to dealing with safeguarding referrals and consequently reporting was limited to the number of referrals received only.</p>	Development of key performance indicators be developed relating to the receipt and actioning of safeguarding referrals. Performance against these KPIs be reported as part of the People and Communities quarterly performance report to the Housing and Community Overview and Scrutiny Committee.	3	<i>New KPI's have been proposed following the implementation of the InForm System. These KPI's will be included in the quarterly overview and scrutiny report once approved.</i>	31/08/22	Joe Guiton, Team Leader, Community Safety & Children's Services

Business Continuity - Executive Summary

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OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
	<ul style="list-style-type: none"> An exercise to review and update the Council's Business Continuity Plan and associated documentation was ongoing at the time of the audit. An exercise is currently ongoing to define specific RTOs and RPOs for key Council systems and services. There is a recognised need to complete a Disaster Recovery test exercise to assess/confirm the ability to recover key Council applications and systems. The Remote and Home Working Policy requires review and updating to reflect the current processes and controls. 								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>Loss of major hardware/data centre (failure / theft / flood)</p>	<ul style="list-style-type: none"> The Council's BCP arrangements are documented as part of a Corporate Business Continuity Plan. Backups of all Council systems and services are made and replicated to secondary site. 								
SCOPE	ACTION POINTS								
<p>The review considered the overarching response to the Covid-19 pandemic in terms of business continuity arrangements and considered the following: the Business Continuity Plan; business impact analysis; controls over the continuation of business critical functions and resources required for this; arrangements for remote working; arrangements for making changes to working practices/staff terms and conditions, if required; communication with staff and stakeholders during period of lockdown; arrangements for identifying and promoting good practice and for sharing this with staff; lessons learnt and any remedial action taken; and monitoring and reporting arrangements.</p>	<table border="1" data-bbox="1147 1176 2129 1319"> <thead> <tr> <th data-bbox="1147 1176 1349 1235">Urgent</th><th data-bbox="1349 1176 1641 1235">Important</th><th data-bbox="1641 1176 1888 1235">Routine</th><th data-bbox="1888 1176 2129 1235">Operational</th></tr> </thead> <tbody> <tr> <td data-bbox="1147 1235 1349 1319">0</td><td data-bbox="1349 1235 1641 1319">4</td><td data-bbox="1641 1235 1888 1319">6</td><td data-bbox="1888 1235 2129 1319">1</td></tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	4	6	1
Urgent	Important	Routine	Operational						
0	4	6	1						

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)
1	Directed	An exercise to review and update the Council's Business Continuity Plan and associated documentation was ongoing at the time of the audit, the last update having been completed in February 2021.	Management to complete the review and updating of Business Continuity Plan documentation and ensure it is made available to all relevant staff.	2	<p><i>Corporate BC plan taken to Apr 22 Cttee for yearly consultation and approval to go to SLT 11th May. Following SLT approval, BC plan will be updated on the Doc Centre/Grab bag/RD and communicated.</i></p> <p><i>Exercise paper going to 27th April SLT. Proposal to hold July BC exercise. Senior management to ensure all Service Level BC plans and Business Impact Assessments reviewed prior to July CHS&R Cttee and BC exercise.</i></p>	27/05/22 29/07/22	<p>Corporate Health, Safety and Resilience Team Leader</p> <p>Corporate Health, Safety and Resilience Team Leader</p>
7	Delivery	There is a recognised need to complete a Disaster Recovery (DR) test exercise to assess/confirm the ability to recover key Council applications and systems. It was advised at the time of audit that management are planning to arrange a table top DR test exercise during 2022.	Disaster recovery arrangements be tested on an annual basis. Test results be documented as part of a formal test report which details test objectives, outcomes, and lessons learned. This can then be used in updating and improving the DR plan and supporting documents.	2	<p><i>A tabletop DR exercise is scheduled to take place in June.</i></p> <p><i>A test restoration of a key line-of-business system will take place in June 2022.</i></p>	30/06/22	Head of Digital

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Delivery	There is a recognised need to develop and introduce a program of Disaster Recovery (DR) and Business Continuity Planning (BCP) tests and drills to test the ability of the Council to maintain service in the absence of the key Council systems and services. This will include testing of particular key applications and the ability of the system owners to follow business processes and maintain services in the absence of the applications.	ICT management to liaise with business following completion of the ongoing work on reviewing the BCP and DR plans to introduce a program of DR drills testing key Council systems and applications.	2	<i>ICT management will liaise with the Resilience Team to develop BCP testing simulating loss of access to key Council systems.</i>	29/07/22	Head of Digital
4	Directed	It was noted that management was in the process of developing a staff training exercise to address IT security for remote workers at the time of the audit.	Management to develop and implement training for remote workers to address risks and security implications arising from home working including risks around physical security, awareness of unauthorised people, and the importance of regular system patches.	2	<i>ICT Management will work with the Information Security Team Leader to ensure that Information Security Training includes emphasis on risks associated with working remotely.</i>	30/06/22	Head of Digital / Information Security Team Leader
2	Directed	There is a recognised need to update the ICT Disaster Recovery Plan and associated supporting documents to reflect recent changes including the recent datacentre relocation.	ICT management to update the IT Disaster Recovery Plan and associated documents to reflect current processes and procedures,	3	<i>ICT management will update the IT Disaster Recovery Plan and associated documents.</i>	30/06/22	BT

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	There is a Remote and Home Working Policy in place that describes the Council requirements of staff when working from home or remotely. It was noted however that this was last reviewed and updated in 2019, which was prior to start of the Covid-19 Pandemic.	Management to ensure that the Remote and Home Working Policy is reviewed and updated as necessary to reflect current home working controls.	3	<p><i>The policy has now been updated (3/5/22) and uploaded to the Council's intranet; a review of this document will take place in May 2023 or sooner as and when required.</i></p> <p><i>The Council has also recently launched a remote working guide which forms part of the new ways of working project, this guide supports and is aligned to the Remote and Home Working Policy.</i></p>	Complete	Information Security Team Leader
5	Directed	Though there are low level process documents used for reference/ training purposes it was noted that there is no documented backup policy/ process document in place to define the Council's approach to, and requirements for, backups of systems and data. A documented backup process would provide further assurance that standard practices are defined and adopted to ensure the integrity, availability, and confidentiality of Council backup data.	ICT management to ensure a backup policy is documented that reflects current backup requirements and controls. This policy should document requirements around the backup of key services, defining roles and responsibilities and required backup schedules.	3	<p><i>Documented back-up retention schedules, daily checks and over-arching system documentation are already in place.</i></p> <p><i>However, ICT Management will augment these with a back-up policy that includes roles and responsibilities.</i></p>	30/06/22	Head of Digital
8	Delivery	It was noted that, while offsite backups of data and systems are in place, the backup solution does not currently incorporate cold/ offline backups. NCSC guidance recommends the use of cold/ offline backups to improve the security of backup data and reduce the possibility of ransomware attacks.	ICT management to consider options around the implementation of cold/offline backups to provide increased backup security.	3	<i>ICT Management are in the process of reviewing options for offsite/imutable backup and have provided SLT with an initial briefing.</i>	30/05/22	Head of Digital

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Delivery	While interim high level recovery point objectives (RPOs) and recovery time objectives (RTOs) have been defined, an exercise is currently ongoing to define specific RTOs and RPOs for key Council systems and services and ensure that these are given the correct level of priority from a Business Continuity Plan/Disaster Recovery perspective. The lack of specific RTO's for particular key applications/ systems increases the risk that these systems may not be recoverable within an acceptable timescale in the event of a DR scenario and where backup arrangements have been determined based on the ICT team's assessment of criticality rather than having been based on the requirements of the operational teams.	ICT to liaise with key Council management and stakeholders within the business to complete the Business Impact Assessment (BIA) of key IT systems and applications in use at the Council. Documented recovery requirements for each system should be defined and agreed between the business and ICT as part of this process.	3	<p><i>The existing RTOs and RPOs were the product of consultation with the Council's Resilience team rather than "the ICT team's assessment" in isolation.</i></p> <p><i>However, ICT Management will liaise with the Resilience Team to review services' Business Impact Assessments and ensure that the RPOs and RTOs in place for key business systems are still appropriate.</i></p>	31/07/22	Head of Digital

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Delivery	<p>There were two items of evidence relating to home/ remote working arrangements that it was not possible to obtain during the timescale required for this audit. These were;</p> <ul style="list-style-type: none"> • Confirmation of whether there had been a need to review/ update staff Terms & Conditions in the light of the move to home working, and; • Evidence that Display Screen Equipment (DSE) risk assessments have been completed for all required staff. 	<p>Management to satisfy themselves that any need to review/update staff terms and conditions has been addressed and that DSE assessments have been completed for all staff.</p>	3	<p><i>The New Ways of Working scheme allows managers and staff to establish the best working practice to support our customers/business need and staff preferences. There will be a mixed approach of how staff work; hybrid, office based, homeworking etc. Existing contracts use the term – ‘You will normally work at or be directed from The Forum’. HR advice is that terms and conditions will need to be amended if staff are working from home the majority of their time.</i></p> <p><i>The Council’s Corporate Health & Safety management are satisfied that a robust process in place for the completion of DSEs. The latest report from Safe4work states:</i></p> <p><i>Assessments completed 496 (83%) No assessments 102 (17%).</i></p> <p><i>The system sends out invitations and reminders. Reports can be run showing staff that have/have not completed the DSE assessment and any actions. There is an expectation that there will always be a figure showing as ‘no assessments’ as this is live reporting taking into account new staff and leavers and time to update HR records.</i></p>	<p>Complete</p> <p>Complete</p>	<p>Assistant Director - People</p> <p>Corporate Health, Safety and Resilience Team Leader</p>

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	<p>It was noted that the Council does not currently hold Cyber Essentials certification. It is recommended that management consider working towards this to provide further assurance around Cyber Security in the light of increased risks around Cyber Security.</p>	<p>ICT management should consider seeking Cyber Essentials certification.</p>	<p><i>ICT management will review Cyber Essentials to determine if it offers any added value in combination with current commitments to meet stringent Cabinet Office standards for PSN accreditation.</i></p>

Governance & Risk Management - Executive Summary

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OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
	<ul style="list-style-type: none">  The Corporate Risk Register (CRR) and the Operational Risk Registers (ORRs) does not incorporate information pertaining to risk appetite, Strategic Objectives/ Priorities, inherent risk scores and target risk scores, which would provide more context to Members and staff.  Mitigating controls assigned to risks are not reviewed or assessed by Risk Owners, to confirm whether the controls are appropriate or adequate in reducing the risk occurring/ impact. Additionally, updates provided by Risk Owners are not aligned to the mitigating controls.  Review of the CRR and ORRs, it was noted that there are no linkages between both risk registers and are standalone risk registers.  The Council is going through staffing and governance structural changes, which has led to appointments at Senior Leadership Team (Tier 2) and possibly also at Corporate Leadership Team (Tier 3). It is essential that risk management training is rolled out to Tier 2 and Tier 3 posts, who are listed as Risk Owners on CRR and ORRs. 								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>Poor corporate governance, including risk management, weakens an organisation's potential and may lead to financial difficulties and the possibility of fraud.</p>	<ul style="list-style-type: none">  The CRR is presented quarterly to Audit Committee and similarly, the ORR is presented quarterly to the respective Overview and Scrutiny Committees, throughout the year. 								
SCOPE	ACTION POINTS								
	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th data-bbox="1147 1187 1388 1251">Urgent</th><th data-bbox="1388 1187 1628 1251">Important</th><th data-bbox="1628 1187 1868 1251">Routine</th><th data-bbox="1868 1187 2131 1251">Operational</th></tr> </thead> <tbody> <tr> <td data-bbox="1147 1251 1388 1314">0</td><td data-bbox="1388 1251 1628 1314">4</td><td data-bbox="1628 1251 1868 1314">3</td><td data-bbox="1868 1251 2131 1314">1</td></tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	4	3	1
Urgent	Important	Routine	Operational						
0	4	3	1						

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>Review of the 2021/22 Quarter 2 and 3 Corporate Risk Register (CRR), it was noted that the CRR, presented to the Audit Committee, is at 'post mitigation', and includes updates and brief commentary against each risk listed.</p> <p>The CRR does not provide information relating to:</p> <ul style="list-style-type: none"> • The initial inherent risk score pertaining to the individual risk; • Cross reference of the Council's Strategic Objectives/ Priorities, where applicable, to each risk listed; • The risk appetite associated with the individual risk; and • The movement of the individual risk score from one quarter to the next; and • The Target risk to be attained by year end. 	Management to address the CRR gaps noted opposite in order to enhance and present a more informative risk register to both Members and staff.	2	<p><i>The role out of the In Phase system has meant a redevelopment of the reporting style and format, which led to reports in quarter 2 not being fully developed. A return to the previous reporting style will be made which will include;</i></p> <ul style="list-style-type: none"> - <i>Inherent risk scores, and</i> - <i>Reference to Strategic Objectives</i> <p><i>The quarter on quarter movement in risk scores is detailed in the Quarterly Strategic Risk Covering report but not detailed in the specific appendix. I can see benefits of simplicity of including the quarterly changes in the risk appendix and will implement this reporting change going forward.</i></p> <p><i>The Council is midway through undertaking a review of the Core strategic objectives and Strategic Risk Register, during this process a review of risk appetite associated with objectives and risks will be undertaken that will form part of future strategic risk reporting. The creation and inclusion of Target risk levels is also planned to be included after the current review is completed.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt - CFO

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>In addition to the CRR, the Council also has Operational Risk Registers (ORRs) in place, at Directorate/ Department level.</p> <p>Review of the 2021/22 Quarter 3 ORRs for Housing and Finance & Resources, which are presented to their respective Overview and Scrutiny Committee, it was noted that it does not contain nor make reference to any specific Corporate Risks, which may impact on the Directorate/ Department areas. For example, the Corporate risk relating to Recruitment & Retention.</p> <p>Similarly, as noted with the CRR, the ORR does not capture the information as noted in Recommendation 2.</p>	<p>The Directorate/ Department Operational Risk Registers (ORR) to list those Corporate Risks, which may impact on service delivery within their area. This will in turn demonstrate a connection between the Strategic and Operational risks.</p> <p>Furthermore, the ORR should capture the information listed under Recommendation 2, which will enhance the ORR.</p>	2	<p><i>A more defined link between the operational risks and the Specific Strategic Risk register will be included in future reports.</i></p>	<p>Quarter 2 2022/23 reporting</p>	<p>Hannah Peacock – Head of transformation and Performance</p> <p>Nigel Howcutt - CFO</p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	<p>Two corporate risks were selected from the CRR, and the following was noted:</p> <p>(i) Failure to secure sufficient investment in essential infrastructure required.</p> <ul style="list-style-type: none"> • Update to the risk was missing from the 2021/22 Quarter 3 CRR. • The update noted in 2021/22 Quarter 2 stated 'no movement from Q1'. • These updates were not linked to the 'Controls & Assurances' section. <p>(ii) The Council is unable to recruit and retain the staff required.</p> <ul style="list-style-type: none"> • The update for Q3 referred to developing a People's Strategy, which is not listed in the 'Controls & Assurance' section. • The Q2 update focused on a shortage of HGV drivers. However, this issue was not reflected in the 'Residual Risk' score, which remained at 6. There was no update provided in Q3, as to where the Council stood with the HGV situation. • As with the previous risk, the updates are not linked to the mitigating controls listed for the risk. 	<p>It be ensured that the risk updates are aligned to the mitigating controls listed under 'Controls & Assurances', so that Members are aware and informed of the progress/position against the risk. Where potential issues may impact on the risk, the risk score must be revised to reflect this. Furthermore, updates be linked to the previous report, so that previous issues are not followed up and reported.</p>	2	<p><i>A more aligned link between risk updates and mitigating controls will be detailed in future narrative reports.</i></p> <p><i>The impact of change that affect the risk score will be better reflected in the narrative.</i></p> <p><i>Risk scoring though is subjective and with many variables affecting each risk score, there can often be new risk updates with additional mitigation and controls that lead to no risk score changes.</i></p>	Quarter 2 2022/23 reporting.	Nigel Howcutt CFO

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Directed	<p>The Council is currently going through a staff and Committee structural change, which has seen appointments made to the Senior Leadership Team (Tier 2) and it is envisaged that this may also be the case for the Corporate Leadership Team (Tier 3).</p> <p>Discussions held with the two Executive Directors, it was stated that in light of these changes, it would be beneficial if risk management training is provided to Tier 2 and 3, especially for new post holders.</p>	<p>Once the Council has completed its staff and structural change, a risk management training programme be devised along with a timetable. To ensure key postholders are familiar with the Council's risk management process, reporting and monitoring requirements.</p>	2	<p><i>A new and improved risk management training programme will be rolled out for the Audit Committee, Senior Leadership team and the Corporate Leadership team. This programme will reflect the changing roles and changing strategic direction of the organisation.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt CFO
1	Directed	<p>Review of the Risk Management Strategy and the Guide to Managing Risks, it was noted that both documents are dated November 2020.</p> <p>Discussions held with the Risk and Insurance Team leader, it was noted that both documents had not been reviewed, as per the annual review cycle, due to the staffing and governance changes taking place at the Council. No date had been set as to when both documents would be reviewed by,</p>	<p>A date be set as to when the Risk Management Strategy and the Guide to Managing Risk, is to be reviewed by, post the Council's changes.</p>	3	<p><i>The current Risk Management Strategy should have been refreshed by November 2021, given the changing Governance and Management structures taking place between September 2021 and April 2022 the review was delayed and is currently underway.</i></p> <p><i>A key output of the current strategic risk review is the delivery of a new Risk Management Strategy Policy, outlining clear roles and responsibilities.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt CFO

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>Discussions held with two Executive Directors (EDs), who are named 'Risk Owners' on the CRR, it was noted that quarterly updates are provided by the EDs to the Section 151 officer.</p> <p>However, in providing the updates, the EDs were unaware whether the mitigating controls listed for each risk, were appropriate in minimising the risk impact. As no review or assessment is performed of the mitigating controls listed against the risk.</p>	<p>CRR and ORR Risk owners to perform periodic review/assessment of the mitigating controls, to ensure that the controls listed, are aiding in reducing the impact of the risk in occurring.</p> <p>Where it is identified that this may not be the case, the Risk Owner must revise the mitigating controls and report to Management/ Members of the revision and why it was necessary to do so.</p>	3	<p><i>The role out of a wider organisational Risk Management Training programme will provide CRR and ORR owners with a greater understanding of their roles and responsibilities and how to fulfil the relevant reviews and assessments.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt CFO
4	Directed	<p>Discussions held with the two EDs, it was stated that there is no sight of the CRR at the Senior Leadership Team or the ORR at Senior Management Team.</p> <p>They have sight of the risk registers when the quarterly updates are requested.</p>	<p>It be ensured that the CRR and ORR, is a standing item on the respective Senior Leadership/ Management Team agendas.</p>	3	<p><i>The CRR and ORR were previously presented to the COG on a quarterly basis with the change in governance arrangements these will now be presented to the SLT on a quarterly basis, along with the other performance reports.</i></p>	30/09/22	Nigel Howcutt CFO

Recruitment - Executive Summary

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OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
	<ul style="list-style-type: none">  The Council's recruitment framework agreement with 'Pertemps' recruitment was found to be out of date since March 2020.  The Finance team approves all roles before jobs are advertised to ensure the recruitment is within the relevant service area's budgets, however, the job advertising cost is not incorporated or considered as part of the recruitment budget/ cost.  Review and testing of a sample of 10 new appointments, it was identified that key documents were copied and retained with the exception of one. Additionally, there does not appear to be any guidance/ instructions in place for dealing with references not been received by HR.  There is currently no KPI in relation to recruitment performance. 								
<p>SR5 -The Council is unable to recruit and retain the staff required</p>	<ul style="list-style-type: none">  There is a Recruitment and Selection (Code of practice) in place. The document is up to date and reflects current practices.  In a review of 10 newly recruited employees, a complete electronic application form was received on every occasion, DBS checks were performed, for those posts where positions interacted with vulnerable tenants, and documents for right to work in the UK were seen and certified as true copies. 								
<p>SCOPE</p> <p>The audit reviewed the adequacy and effectiveness of controls over the new recruitment processes to ensure the adequacy and effectiveness of controls over the new recruitment processes in accordance with the recruitment and selection policy.</p>	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th data-bbox="1163 1240 1388 1287">Urgent</th> <th data-bbox="1388 1240 1612 1287">Important</th> <th data-bbox="1612 1240 1837 1287">Routine</th> <th data-bbox="1837 1240 2140 1287">Operational</th> </tr> </thead> <tbody> <tr> <td data-bbox="1163 1287 1388 1367">0</td> <td data-bbox="1388 1287 1612 1367">1</td> <td data-bbox="1612 1287 1837 1367">4</td> <td data-bbox="1837 1287 2140 1367">0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	1	4	0
Urgent	Important	Routine	Operational						
0	1	4	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)
4	Directed	<p>The Council's recruitment framework agreement with 'Pertemps Recruitment' was found to be out of date since March 2020.</p> <p>It was noted that the framework agreement is currently under review and recommendations of future agency contracts is to be included in a paper to the Corporate and Commercial Board at the end of May 2022.</p>	<p>It is vital to ensure that all contracts with the Council are kept up-to-date and renewed in a timely manner.</p>	2	<p><i>The recruitment agency framework has expired. Priorities have now enabled a corporate wide project to assess the Council's approach to hiring agency workers, which commenced in January 2022 and the recommendations will be presented to the Council's Commercial Board. It is anticipated that a suggested recruitment agency framework will be in place in the summer of 2022.</i></p>	September 2022	Matt Rawdon (Assistant Director – People)
1	Directed	<p>Review and testing of a sample of 10 newly appointed staff, it was confirmed that in all cases, where the starters were required to drive as part of their role at the Council, driving licences were obtained prior to commencement of the role.</p> <p>However, in one instance, the new starter's driving licence had not been saved onto iTrent,</p>	<p>All new starter's supporting documents/ evidence be saved on the individual's personnel file.</p>	3	<p><i>Noted. The HR checklist will be updated and staff will be informed accordingly. In this case the HR Officer signed the checklist to claim they had seen prove of the driving licence but did not save onto the HR system (iTrent)</i></p>	June 2022	Priti Gohil (HR Team Leader)
2	Directed	<p>There is no specific guidance or instructions on how to deal with situations where no candidate reference has been provided.</p>	<p>The Council's Recruitment and Selection Code of Practice, to include instructions on how to handle circumstances, where references have not been provided.</p>	3	<p><i>This is accepted and can be updated immediately to provide clearer guidance to the HR team on this particular point.</i></p>	June 2022	Priti Gohil (HR Team Leader)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Finance team approves all roles, prior to jobs being advertised. To ensure the recruitment cost is within the relevant service area's budgets. It was noted that the cost of the job advertising is currently not incorporated or considered in the overall recruitment budget.	Advertising costs be incorporated in the overall recruitment budget.	3	<i>There is no dedicated recruitment budget. The advertising costs are shared between the HR and individual service budgets depending on the role and choice of advertising</i>	No further action required	Not applicable
5	Delivery	<p>There is currently no KPI in relation to recruitment performance. The Council may wish to consider the following KPIs (This is not an exhaustive list):</p> <ul style="list-style-type: none"> • Time to Hire This KPI measures the time between when a candidate is contacted for a job opening and when they accept a job offer. • Sourcing Channel Efficiency This KPI measures the usefulness of the Council's sourcing channels, or where jobs are advertised). It helps in understanding where the most qualified candidates and the ROI of different sourcing pipelines are found. Knowing the sourcing channel efficiency KPI can be helpful in developing effective sourcing strategies and improve the overall recruiting process. • Cost Per Hire This KPI takes into account all the associated costs, including things like how much the Council pays to post the job on different job boards, any referral fees, the cost of attending job fairs, etc.. 	KPIs be introduced to measure and increase recruitment efficiency and success.	3	<i>Operational KPIs will be introduced to measure recruitment efficiency and success. Research will be undertaken to identify good practice KPIs in this area. It should be noted that KPIs will need to be automated as part of the system to avoid additional resource needed to collate these. If this is not possible consideration will be given on the value of KPIs versus time taken to manually produce this information.</i>	September 2022	Matt Rawdon (Assistant Director – People) and Priti Gohil (HR Team Leader)

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Corporate H&S	1	Fieldwork in progress	
Communications	1		Review delayed due to Auditee not responding to emails.
Housing Allocations & Homelessness	1	Fieldwork completed	Draft to be issued June 2022
Insurances	1	Fieldwork in progress	
Document Management Systems	2		Audit Brief issued 10 June 2022
Payroll	2		Audit Brief issued 10 June 2022
Housing Benefit	2		Audit Brief issued 10 June 2022
Commercial Asset Management	2		Audit Brief issued 10 June 2022
Key Financial Controls	3		
Council Tax	3		
NNDR	3		
Planning	3		
Housing Rents	3		
Housing Repairs & Maintenance	2 (4)		Audit Brief issued 10 June 2022 - S151 officer requested to be moved to Q4
Procurement/ Contract Management	4		
Empty Homes	4		
Governance & Risk Management	4		
Follow Up	3-4		Completed in Q4

KEY:

To be commenced	Site work commenced	Draft report issued	Final report issued	Review deferred
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Dacorum Borough Council

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Assurance Review of Business Continuity

2021/22

May 2022

Executive Summary

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OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
	<ul style="list-style-type: none"> An exercise to review and update the Council's Business Continuity Plan and associated documentation was ongoing at the time of the audit. An exercise is currently ongoing to define specific RTOs and RPOs for key Council systems and services. There is a recognised need to complete a Disaster Recovery test exercise to assess/confirm the ability to recover key Council applications and systems. The Remote and Home Working Policy requires review and updating to reflect the current processes and controls. 								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>Loss of major hardware/data centre (failure / theft / flood)</p>	<ul style="list-style-type: none"> The Council's BCP arrangements are documented as part of a Corporate Business Continuity Plan. Backups of all Council systems and services are made and replicated to secondary site. 								
SCOPE	ACTION POINTS								
<p>The review considered the overarching response to the Covid-19 pandemic in terms of business continuity arrangements and considered the following: the Business Continuity Plan; business impact analysis; controls over the continuation of business critical functions and resources required for this; arrangements for remote working; arrangements for making changes to working practices/staff terms and conditions, if required; communication with staff and stakeholders during period of lockdown; arrangements for identifying and promoting good practice and for sharing this with staff; lessons learnt and any remedial action taken; and monitoring and reporting arrangements.</p>	<table border="1" data-bbox="1156 1224 2122 1362"> <thead> <tr> <th data-bbox="1156 1224 1358 1294">Urgent</th><th data-bbox="1358 1224 1650 1294">Important</th><th data-bbox="1650 1224 1897 1294">Routine</th><th data-bbox="1897 1224 2122 1294">Operational</th></tr> </thead> <tbody> <tr> <td data-bbox="1156 1294 1358 1362">0</td><td data-bbox="1358 1294 1650 1362">4</td><td data-bbox="1650 1294 1897 1362">6</td><td data-bbox="1897 1294 2122 1362">1</td></tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	4	6	1
Urgent	Important	Routine	Operational						
0	4	6	1						

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)
1	Directed	An exercise to review and update the Council's Business Continuity Plan and associated documentation was ongoing at the time of the audit, the last update having been completed in February 2021.	Management to complete the review and updating of Business Continuity Plan documentation and ensure it is made available to all relevant staff.	2	<p><i>Corporate BC plan taken to Apr 22 Cttee for yearly consultation and approval to go to SLT 11th May. Following SLT approval, BC plan will be updated on the Doc Centre/Grab bag/RD and communicated.</i></p> <p><i>Exercise paper going to 27th April SLT. Proposal to hold July BC exercise. Senior management to ensure all Service Level BC plans and Business Impact Assessments reviewed prior to July CHS&R Cttee and BC exercise.</i></p>	27/05/22 29/07/22	<p><i>Corporate Health, Safety and Resilience Team Leader</i></p> <p><i>Corporate Health, Safety and Resilience Team Leader</i></p>
7	Delivery	There is a recognised need to complete a Disaster Recovery (DR) test exercise to assess/confirm the ability to recover key Council applications and systems. It was advised at the time of audit that management are planning to arrange a table top DR test exercise during 2022.	Disaster recovery arrangements be tested on an annual basis. Test results be documented as part of a formal test report which details test objectives, outcomes, and lessons learned. This can then be used in updating and improving the DR plan and supporting documents.	2	<p><i>A tabletop DR exercise is scheduled to take place in June.</i></p> <p><i>A test restoration of a key line-of-business system will take place in June 2022.</i></p>	30/06/22	<p><i>Head of Digital</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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Delivery	There is a recognised need to develop and introduce a program of Disaster Recovery (DR) and Business Continuity Planning (BCP) tests and drills to test the ability of the Council to maintain service in the absence of the key Council systems and services. This will include testing of particular key applications and the ability of the system owners to follow business processes and maintain services in the absence of the applications.	ICT management to liaise with business following completion of the ongoing work on reviewing the BCP and DR plans to introduce a program of DR drills testing key Council systems and applications.	2	<i>ICT management will liaise with the Resilience Team to develop BCP testing simulating loss of access to key Council systems.</i>	29/07/22	Head of Digital
4	Directed	It was noted that management was in the process of developing a staff training exercise to address IT security for remote workers at the time of the audit.	Management to develop and implement training for remote workers to address risks and security implications arising from home working including risks around physical security, awareness of unauthorised people, and the importance of regular system patches.	2	<i>ICT Management will work with the Information Security Team Leader to ensure that Information Security Training includes emphasis on risks associated with working remotely.</i>	30/06/22	Head of Digital / Information Security Team Leader
2	Directed	There is a recognised need to update the ICT Disaster Recovery Plan and associated supporting documents to reflect recent changes including the recent datacentre relocation.	ICT management to update the IT Disaster Recovery Plan and associated documents to reflect current processes and procedures,	3	<i>ICT management will update the IT Disaster Recovery Plan and associated documents.</i>	30/06/22	BT

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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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	There is a Remote and Home Working Policy in place that describes the Council requirements of staff when working from home or remotely. It was noted however that this was last reviewed and updated in 2019, which was prior to start of the Covid-19 Pandemic.	Management to ensure that the Remote and Home Working Policy is reviewed and updated as necessary to reflect current home working controls.	3	<p><i>The policy has now been updated (3/5/22) and uploaded to the Council's intranet; a review of this document will take place in May 2023 or sooner as and when required.</i></p> <p><i>The Council has also recently launched a remote working guide which forms part of the new ways of working project, this guide supports and is aligned to the Remote and Home Working Policy.</i></p>	Complete	Information Security Team Leader
5	Directed	Though there are low level process documents used for reference/ training purposes it was noted that there is no documented backup policy/ process document in place to define the Council's approach to, and requirements for, backups of systems and data. A documented backup process would provide further assurance that standard practices are defined and adopted to ensure the integrity, availability, and confidentiality of Council backup data.	ICT management to ensure a backup policy is documented that reflects current backup requirements and controls. This policy should document requirements around the backup of key services, defining roles and responsibilities and required backup schedules.	3	<p><i>Documented back-up retention schedules, daily checks and over-arching system documentation are already in place.</i></p> <p><i>However, ICT Management will augment these with a back-up policy that includes roles and responsibilities.</i></p>	30/06/22	Head of Digital

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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Delivery	It was noted that, while offsite backups of data and systems are in place, the backup solution does not currently incorporate cold/offline backups. NCSC guidance recommends the use of cold/ offline backups to improve the security of backup data and reduce the possibility of ransomware attacks.	ICT management to consider options around the implementation of cold/offline backups to provide increased backup security.	3	<i>ICT Management are in the process of reviewing options for offsite/imutable backup and have provided SLT with an initial briefing.</i>	30/05/22	Head of Digital
6	Delivery	While interim high level recovery point objectives (RPOs) and recovery time objectives (RTOs) have been defined, an exercise is currently ongoing to define specific RTOs and RPOs for key Council systems and services and ensure that these are given the correct level of priority from a Business Continuity Plan/Disaster Recovery perspective. The lack of specific RTO's for particular key applications/systems increases the risk that these systems may not be recoverable within an acceptable timescale in the event of a DR scenario and where backup arrangements have been determined based on the ICT team's assessment of criticality rather than having been based on the requirements of the operational teams.	ICT to liaise with key Council management and stakeholders within the business to complete the Business Impact Assessment (BIA) of key IT systems and applications in use at the Council. Documented recovery requirements for each system should be defined and agreed between the business and ICT as part of this process.	3	<i>The existing RTOs and RPOs were the product of consultation with the Council's Resilience team rather than "the ICT team's assessment" in isolation.</i> <i>However, ICT Management will liaise with the Resilience Team to review services' Business Impact Assessments and ensure that the RPOs and RTOs in place for key business systems are still appropriate.</i>	31/07/22	Head of Digital

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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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Delivery	<p>There were two items of evidence relating to home/ remote working arrangements that it was not possible to obtain during the timescale required for this audit. These were;</p> <ul style="list-style-type: none"> • Confirmation of whether there had been a need to review/ update staff Terms & Conditions in the light of the move to home working, and; • Evidence that Display Screen Equipment (DSE) risk assessments have been completed for all required staff. 	<p>Management to satisfy themselves that any need to review/update staff terms and conditions has been addressed and that DSE assessments have been completed for all staff.</p>	3	<p><i>The New Ways of Working scheme allows managers and staff to establish the best working practice to support our customers/business need and staff preferences. There will be a mixed approach of how staff work; hybrid, office based, homeworking etc. Existing contracts use the term – ‘You will normally work at or be directed from The Forum’. HR advice is that terms and conditions will need to be amended if staff are working from home the majority of their time.</i></p> <p><i>The Council’s Corporate Health & Safety management are satisfied that a robust process in place for the completion of DSEs. The latest report from Safe4work states:</i></p> <p><i>Assessments completed 496 (83%) No assessments 102 (17%).</i></p> <p><i>The system sends out invitations and reminders. Reports can be run showing staff that have/have not completed the DSE assessment and any actions. There is an expectation that there will always be a figure showing as ‘no assessments’ as this is live reporting taking into account new staff and leavers and time to update HR records.</i></p>	Complete	Assistant Director - People

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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	<p>It was noted that the Council does not currently hold Cyber Essentials certification. It is recommended that management consider working towards this to provide further assurance around Cyber Security in the light of increased risks around Cyber Security.</p>	<p>ICT management should consider seeking Cyber Essentials certification.</p>	<p><i>ICT management will review Cyber Essentials to determine if it offers any added value in combination with current commitments to meet stringent Cabinet Office standards for PSN accreditation.</i></p>

Findings



Directed Risk:

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

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
Page 52 RM C	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, 2, & 3	-
	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.	Partially in place	4, & 5	-

Other Findings

- Formal roles and responsibilities in regard to emergency planning and business continuity are detailed as part of the Council's Business Continuity Plan and Corporate Resilience Policy Statement.
- Operational and IT risk registers are maintained and reviewed on a regular basis.
- Key Business Continuity Plan and Disaster Recovery documents are made available to staff via SharePoint and via physical battlebox maintained onsite for increased resilience.
- Backups of Council systems and data are made as part of a daily, weekly and monthly routine

**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.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	6, 7, 8, 9 & 10	1

**Other Findings**

No financial issues were identified as part of this audit.



System and data backups are stored securely at a remote location.



Alerts detailing any backup failures are generated, reviewed, escalated and actioned where required.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

- 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

- 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

- 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

- 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

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	23 rd April 2021	23 rd April 2021
Draft Report:	19 th April 2022	3 rd May 2022
Final Report:	4 th May 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Business Continuity		
Type of Review:	Assurance	Audit Lead:	Paul Kamminga
Outline scope (per Annual Plan):	<p>The review considers the overarching response to the Covid-19 pandemic in terms of business continuity arrangements and will consider the following: the Business Continuity Plan; business impact analysis; controls over the continuation of business critical functions and resources required for this; arrangements for remote working; arrangements for making changes to working practices/staff terms and conditions, if required; communication with staff and stakeholders during period of lockdown; arrangements for identifying and promoting good practice and for sharing this with staff; lessons learnt and any remedial action taken; and monitoring and reporting arrangements.</p> <p>The following key control areas will be included:</p> <ul style="list-style-type: none"> • IT functions and controls regarding key information. • The existence of complete and up to date policies and processes for remote working; • The process for tracking the continuation of business critical functions to ensure they are kept up to date; • Authorisation and approval controls; • Controls to ensure the consistency across the organisation; • Processes for ensuring staff and other stakeholders are made aware of key and relevant process and procedures; • Sufficiency of staff resources for managing policies and procedures. • Exact scope to be discussed and agreed with management. • The review will also seek to share any identified good practice from similar organisations. 		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>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.</p> <p>Financial constraint: The process operates within the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	14/04/2021	Exit Meeting Date:	07/04/2022	Exit Meeting to be held with:	Gary Osler
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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

Dacorum Borough Council

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Assurance Review of Safeguarding & Prevention

2021/22

April 2022

Executive Summary

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OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Not identified as a direct Key Strategic Risk however in line with the organisational objectives and was raised as a risk by management at the time the 3 year plan was discussed.

KEY STRATEGIC FINDINGS



The Council has a comprehensive Safeguarding Policy which expires in March 2022. The Policy was being reviewed but was awaiting more significant updates linked to the Council's restructure and significantly a planned change in approach to the Designated Safeguarding Leads.



A sample review of training records identified 3/10 instances where safeguarding training had expired (one councillor and two managers), with expiry dates ranging back to 2019.



There is no clear approach to the safeguarding requirements expected of contractors working for the Council. The approach differs depending on the basis of the contract award and instances were identified where contractors would be public facing but no safeguarding requirements were put in place by the Council.

GOOD PRACTICE IDENTIFIED



The Council completed a comprehensive self-assessment against the standards and requirements of the Hertfordshire Safeguarding Adults Board (HSAB) criteria. The assessment, and associated presentation, was comprehensive and recognised as such by the HSAB.



The Council has developed an action plan to address issues arising from the self-assessment and additional comments raised by the HSAB. The action plan has been formally reviewed and approved by the Council's Senior Leadership Team.

SCOPE

The review has examined the Council's self-assessment and associated action plan required by the Hertfordshire Adult Safeguarding Board (HSAB), the adequacy of the Council's safeguarding related training and awareness (staff/members/contractors) and the Council's safeguarding related information systems.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	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)
1	Directed	The Council has a comprehensive Safeguarding Policy and supporting Procedures. This was approved in March 2019 and is in date until March 2022. Whilst evidence of the Policy being reviewed and updated was seen during the course of the audit, it is currently awaiting key updates relating to the Council's restructure and significantly a planned change in approach to the Designated Safeguarding Leads.	The Policy be reviewed and updated in line with the proposed changes and communicated to staff at the earliest opportunity.	2	<i>Policy is in the process of being reviewed and updated following staff changes and changes to the designated safeguarding leads.</i>	31/07/22	Sue Warren, Lead Officer, Safeguarding

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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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Review of a sample of 10 members of staff/councillors identified that in 3 cases, Safeguarding training was out of date (expiry dates ranging from July 2019 to December 2021). The 3 cases related to 1 Councillor (Sept 2020) and 2 Managers (July 2019 and December 2021).</p> <p>Whilst this will have been flagged up to more senior managers due to the automatic escalation nature of the training system, the training modules remained outstanding.</p>	All Staff and Councillors be instructed to complete any outstanding Safeguarding related training.	2	<p><i>All training is on DORIS and if it is mandatory training then the individual will receive reminder emails to prompt them to book the specific course. Training is also reviewed by line managers who again can prompt individuals to book themselves on courses.</i></p> <p><i>Training Team to run a report to see who has completed the safeguarding training and for those outstanding, the training team will send out a reminder email.</i></p> <p><i>Report to be run every quarter to monitor.</i></p>	30/04/22 31/07/22	Priti Gohill, HR & OD Team Leader Priti Gohill, HR & OD Team Leader Priti Gohill, HR & OD 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.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>Review of the safeguarding requirements for contractors, noted a fragmented approach, as set out below:</p> <ul style="list-style-type: none"> • where tenders are let by the Council (>£75k), the tender process and resultant contract imposes Safeguarding requirements on the contractor; • where contracts are awarded through the Framework agreements, these will be let in accordance with the relevant Framework terms, which may or may not contain appropriate Safeguarding expectations; and • for lower value contracts it is less clear, with a mixture of the Council's standard terms and conditions forming the contract or the supplier's terms and conditions being adopted. <p>There is therefore no consistent obligation on contractors to comply with Safeguarding practices. A review of the 2021/22 procurement register identified contracts below the £75k tender threshold that would necessitate contractors interacting with the public.</p>	<p>The Council introduce contractual terms, in line with those in place for tendered contracts, to apply to all procurements where contractors are likely to interact with the public.</p>	2	<p><i>Safeguarding clauses to be included (generally stated in the agreement where relevant) introduce additional clauses into the agreements where safeguarding is required and not included in the standard agreement.</i></p> <p><i>For below threshold agreements (£75k and below) this is more difficult. Procurement in general will not have sight of these and on most occasions the officers will manage this, meaning the Council will sign up to the suppliers Terms and Conditions and it will be governed by the Council's T&Cs on our Purchase Order. T&Cs being reviewed by Legal and add a safeguarding clause which can be referred to on the Council's Purchase Orders.</i></p> <p><i>Raise awareness to the clause around the Council so any contract where there is interaction with the public should be included in any new agreements.</i></p>	31/05/22 31/08/22 31/08/22	<p>Andrew Linden, Procurement, Team Leader</p> <p>Andrew Linden, Procurement Team Leader</p> <p>Andrew Linden</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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Delivery	<p>At the time of the audit review, the Council utilised the Community Safety mailbox and supporting spreadsheet records to record and monitor the receipt and actioning of safeguarding related referrals/requests.</p> <p>This is cumbersome and involves manual monitoring via a combination of the mailbox and the spreadsheet records. In April 2022, it is planned to trial moving to a more bespoke case management system which will allow all key information to be recorded and significantly will support enhanced data interaction with existing systems and also improved reporting and analysis.</p>	The planned trial and subsequent implementation of the Inform case management system be progressed as scheduled.	3	<i>InForm system is being trialled by the Community safety team to ensure it is fit for purpose.</i>	31/05/22	Joe Guiton, Team Leader, Community Safety & Children's Services
5	Delivery	<p>Review of reporting to the Housing and Community Overview and Scrutiny Committee established that the level of safeguarding referrals had been reported as part of the People and Communities Performance Report for quarters 1, 2 and 3.</p> <p>Whilst the level of activity had been reported it was noted that there were no specific KPIs in relation to dealing with safeguarding referrals and consequently reporting was limited to the number of referrals received only.</p>	Development of key performance indicators be developed relating to the receipt and actioning of safeguarding referrals. Performance against these KPIs be reported as part of the People and Communities quarterly performance report to the Housing and Community Overview and Scrutiny Committee.	3	<i>New KPI's have been proposed following the implementation of the InForm System. These KPI's will be included in the quarterly overview and scrutiny report once approved.</i>	31/08/22	Joe Guiton, Team Leader, Community Safety & Children's Services

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.
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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

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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.

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	-	-
	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2 & 3	-

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Other Findings



Review of the self-assessment noted that the assessment was comprehensive and that actions had been identified against standards, the assessment concluded that the activities in place did not fully address the requirements of the standards.



Review of the action plan developed was comprehensive, addressing the areas identified from the Council's self-assessment, and also further areas were identified, following the Hertfordshire Safeguarding Adults Board (HSAB) review and feedback. The action plan was considered and approved at a meeting of the SLT on 16th March 2022.



The Council's website contains guidance for the public on Safeguarding and signposts the public to appropriate referral mechanisms and the Council's current Safeguarding Policy and Procedures.



The Council's Safeguarding Policy and Procedures address the regulatory requirements linked to safeguarding.

Other Findings



Review of the Council's strategic risk register did not identify any risks relating to the areas of Safeguarding. Discussions with the Team Leader Community Safety and Children's Services did not identify any local/operational risk registers that referenced safeguarding. Notwithstanding this, the Council's Safeguarding Policy and Procedures are considered to be comprehensive and compliance with these would serve to mitigate any risk relating to safeguarding.



The Council's training system operates on the basis of the training profile that an employee/job role is allocated to, which then shows the required training for the individual. A traffic light system is used to show when the training is in date. The system then goes on to provides an overall assessment for that individual, so any incomplete/out of date training will result in a 'red' summary. So if an employee has training outstanding then their manager will also show as out of date/red.



The Council's Policy requires all new starters to sign a declaration confirming that they agree to the principles contained within the Policy. Sample testing of 5 new starters who had joined the Council in 2021/22 established that declaration forms were in place as required.



Review of the training profiles set up within the Council's training system established that each of the 10 profiles contained safeguarding training as a mandatory requirement.

**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	4, & 5	-
FC	Financial Constraint	The process operates within the agreed financial budget for the year.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

There is no separate budget/cost centre that focuses on safeguarding within the Council. Instead the costs associated with safeguarding are, in the main, contained within the overall Community Safety budget. Review of this overall budget for 2020/21 established that it underspent by £69kk and is forecast to underspend by £20k in the current year.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

- 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

- 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

- 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

- 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

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	16 th November 2021	10 th January 2022
Draft Report:	12 th April 2022	21 st April 2022
Final Report:	25 th April 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Safeguarding & Prevention		
Type of Review:	Assurance	Audit Lead:	Head of Audit
Outline scope (per Annual Plan):	The review has examined the Council's self-assessment and associated action plan required by the Hertfordshire Adult Safeguarding Board (HSAB), the adequacy of the Council's safeguarding related training and awareness (staff/members/contractors) and the Council's safeguarding related information systems.		
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:	1st March 2022	Exit Meeting Date:	25th March 2022
Exit Meeting to be held with:	Group Manager - People		
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

Dacorum Borough Council

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Assurance Review of Governance and Risk Management

2021/22

June 2022

Executive Summary

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OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
	<ul style="list-style-type: none"> The Corporate Risk Register (CRR) and the Operational Risk Registers (ORRs) does not incorporate information pertaining to risk appetite, Strategic Objectives/ Priorities, inherent risk scores and target risk scores, which would provide more context to Members and staff. Mitigating controls assigned to risks are not reviewed or assessed by Risk Owners, to confirm whether the controls are appropriate or adequate in reducing the risk occurring/ impact. Additionally, updates provided by Risk Owners are not aligned to the mitigating controls. Review of the CRR and ORRs, it was noted that there are no linkages between both risk registers and are standalone risk registers. The Council is going through staffing and governance structural changes, which has led to appointments at Senior Leadership Team (Tier 2) and possibly also at Corporate Leadership Team (Tier 3). It is essential that risk management training is rolled out to Tier 2 and Tier 3 posts, who are listed as Risk Owners on CRR and ORRs. 								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>Poor corporate governance, including risk management, weakens an organisation's potential and may lead to financial difficulties and the possibility of fraud.</p>	<p>The CRR is presented quarterly to Audit Committee and similarly, the ORR is presented quarterly to the respective Overview and Scrutiny Committees, throughout the year.</p>								
SCOPE	ACTION POINTS								
<p>The audit reviewed the Council's Governance arrangements; and Risk Management - arrangements for identifying and monitoring the mitigating controls with regards to the Council's business significant risk map. Two risks currently included in the Council's business significant risk map were selected and the effectiveness of the identified controls were reviewed.</p>	<table border="1" data-bbox="1156 1256 2113 1394"> <thead> <tr> <th data-bbox="1156 1256 1381 1319">Urgent</th><th data-bbox="1381 1256 1605 1319">Important</th><th data-bbox="1605 1256 1830 1319">Routine</th><th data-bbox="1830 1256 2113 1319">Operational</th></tr> </thead> <tbody> <tr> <td data-bbox="1156 1319 1381 1394">0</td><td data-bbox="1381 1319 1605 1394">4</td><td data-bbox="1605 1319 1830 1394">3</td><td data-bbox="1830 1319 2113 1394">1</td></tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	4	3	1
Urgent	Important	Routine	Operational						
0	4	3	1						

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>Review of the 2021/22 Quarter 2 and 3 Corporate Risk Register (CRR), it was noted that the CRR, presented to the Audit Committee, is at 'post mitigation', and includes updates and brief commentary against each risk listed.</p> <p>The CRR does not provide information relating to:</p> <ul style="list-style-type: none"> • The initial inherent risk score pertaining to the individual risk; • Cross reference of the Council's Strategic Objectives/ Priorities, where applicable, to each risk listed; • The risk appetite associated with the individual risk; and • The movement of the individual risk score from one quarter to the next; and • The Target risk to be attained by year end. 	<p>Management to address the CRR gaps noted opposite in order to enhance and present a more informative risk register to both Members and staff.</p>	2	<p><i>The role out of the In Phase system has meant a redevelopment of the reporting style and format, which led to reports in quarter 2 not being fully developed. A return to the previous reporting style will be made which will include;</i></p> <ul style="list-style-type: none"> - <i>Inherent risk scores, and</i> - <i>Reference to Strategic Objectives</i> <p><i>The quarter on quarter movement in risk scores is detailed in the Quarterly Strategic Risk Covering report but not detailed in the specific appendix. I can see benefits of simplicity of including the quarterly changes in the risk appendix and will implement this reporting change going forward.</i></p> <p><i>The Council is midway through undertaking a review of the Core strategic objectives and Strategic Risk Register, during this process a review of risk appetite associated with objectives and risks will be undertaken that will form part of future strategic risk reporting. The creation and inclusion of Target risk levels is also planned to be included after the current review is completed.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt - CFO

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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)
5	Directed	<p>In addition to the CRR, the Council also has Operational Risk Registers (ORRs) in place, at Directorate/ Department level.</p> <p>Review of the 2021/22 Quarter 3 ORRs for Housing and Finance & Resources, which are presented to their respective Overview and Scrutiny Committee, it was noted that it does not contain nor make reference to any specific Corporate Risks, which may impact on the Directorate/ Department areas. For example, the Corporate risk relating to Recruitment & Retention.</p> <p>Similarly, as noted with the CRR, the ORR does not capture the information as noted in Recommendation 2.</p>	<p>The Directorate/ Department Operational Risk Registers (ORR) to list those Corporate Risks, which may impact on service delivery within their area. This will in turn demonstrate a connection between the Strategic and Operational risks.</p> <p>Furthermore, the ORR should capture the information listed under Recommendation 2, which will enhance the ORR.</p>	2	<p><i>A more defined link between the operational risks and the Specific Strategic Risk register will be included in future reports.</i></p>	Quarter 2 2022/23 reporting	<p>Hannah Peacock – Head of transformation and Performance</p> <p>Nigel Howcutt - CFO</p>

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PRIORITY GRADINGS

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

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	<p>Two corporate risks were selected from the CRR, and the following was noted:</p> <p>(i) Failure to secure sufficient investment in essential infrastructure required.</p> <ul style="list-style-type: none"> • Update to the risk was missing from the 2021/22 Quarter 3 CRR. • The update noted in 2021/22 Quarter 2 stated 'no movement from Q1'. • These updates were not linked to the 'Controls & Assurances' section. <p>(ii) The Council is unable to recruit and retain the staff required.</p> <ul style="list-style-type: none"> • The update for Q3 referred to developing a People's Strategy, which is not listed in the 'Controls & Assurance' section. • The Q2 update focused on a shortage of HGV drivers. However, this issue was not reflected in the 'Residual Risk' score, which remained at 6. There was no update provided in Q3, as to where the Council stood with the HGV situation. • As with the previous risk, the updates are not linked to the mitigating controls listed for the risk. 	<p>It be ensured that the risk updates are aligned to the mitigating controls listed under 'Controls & Assurances', so that Members are aware and informed of the progress/position against the risk. Where potential issues may impact on the risk, the risk score must be revised to reflect this. Furthermore, updates be linked to the previous report, so that previous issues are not followed up and reported.</p>	2	<p><i>A more aligned link between risk updates and mitigating controls will be detailed in future narrative reports.</i></p> <p><i>The impact of change that affect the risk score will be better reflected in the narrative.</i></p> <p><i>Risk scoring though is subjective and with many variables affecting each risk score, there can often be new risk updates with additional mitigation and controls that lead to no risk score changes.</i></p>	Quarter 2 2022/23 reporting.	Nigel Howcutt CFO

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)
7	Directed	<p>The Council is currently going through a staff and Committee structural change, which has seen appointments made to the Senior Leadership Team (Tier 2) and it is envisaged that this may also be the case for the Corporate Leadership Team (Tier 3).</p> <p>Discussions held with the two Executive Directors, it was stated that in light of these changes, it would be beneficial if risk management training is provided to Tier 2 and 3, especially for new post holders.</p>	<p>Once the Council has completed its staff and structural change, a risk management training programme be devised along with a timetable. To ensure key postholders are familiar with the Council's risk management process, reporting and monitoring requirements.</p>	2	<p><i>A new and improved risk management training programme will be rolled out for the Audit Committee, Senior Leadership team and the Corporate Leadership team. This programme will reflect the changing roles and changing strategic direction of the organisation.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt CFO
1	Directed	<p>Review of the Risk Management Strategy and the Guide to Managing Risks, it was noted that both documents are dated November 2020.</p> <p>Discussions held with the Risk and Insurance Team leader, it was noted that both documents had not been reviewed, as per the annual review cycle, due to the staffing and governance changes taking place at the Council. No date had been set as to when both documents would be reviewed by,</p>	<p>A date be set as to when the Risk Management Strategy and the Guide to Managing Risk, is to be reviewed by, post the Council's changes.</p>	3	<p><i>The current Risk Management Strategy should have been refreshed by November 2021, given the changing Governance and Management structures taking place between September 2021 and April 2022 the review was delayed and is currently underway.</i></p> <p><i>A key output of the current strategic risk review is the delivery of a new Risk Management Strategy Policy, outlining clear roles and responsibilities.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt CFO

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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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>Discussions held with two Executive Directors (EDs), who are named 'Risk Owners' on the CRR, it was noted that quarterly updates are provided by the EDs to the Section 151 officer.</p> <p>However, in providing the updates, the EDs were unaware whether the mitigating controls listed for each risk, were appropriate in minimising the risk impact. As no review or assessment is performed of the mitigating controls listed against the risk.</p>	<p>CRR and ORR Risk owners to perform periodic review/assessment of the mitigating controls, to ensure that the controls listed, are aiding in reducing the impact of the risk in occurring.</p> <p>Where it is identified that this may not be the case, the Risk Owner must revise the mitigating controls and report to Management/ Members of the revision and why it was necessary to do so.</p>	3	<p><i>The role out of a wider organisational Risk Management Training programme will provide CRR and ORR owners with a greater understanding of their roles and responsibilities and how to fulfil the relevant reviews and assessments.</i></p>	Quarter 2 2022/23 reporting	Nigel Howcutt CFO
4	Directed	<p>Discussions held with the two EDs, it was stated that there is no sight of the CRR at the Senior Leadership Team or the ORR at Senior Management Team.</p> <p>They have sight of the risk registers when the quarterly updates are requested.</p>	<p>It be ensured that the CRR and ORR, is a standing item on the respective Senior Leadership/ Management Team agendas.</p>	3	<p><i>The CRR and ORR were previously presented to the COG on a quarterly basis with the change in governance arrangements these will now be presented to the SLT on a quarterly basis, along with the other performance reports.</i></p>	30/09/22	Nigel Howcutt CFO

PRIORITY GRADINGS

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	The Council does not conduct 'deep dive' exercises of Corporate risks, which would provide Members and Management with assurance over the management of the individual risk listed on the Corporate Risk Register.	It is suggested that a cycle be established, whereby all Corporate risks are subject to a 'deep dive' exercise and the results reported to Audit Committee.	<i>These will be included in future Audit Committee agendas.</i>

Findings



Directed Risk:

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

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	-	1
	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2,3,4,5,6 & 7	-

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Other Findings



In February 2022, the Council's Constitution was subject to minor amendments, namely to reflect changes to job titles. The Monitoring Officer advised that the Constitution will be subject to a full review, in light of the staffing and portfolio structural changes, taking place at the Council and in doing so the 'Delivering Good Governance in Local Government Framework' will be considered. Additionally, the Council adopted a new a Code of Conduct for Members, which forms part of the Constitution.



The Council's Risk Management Strategy and the Guide to Managing Risks provides adequate guidance on risk management, scoring, monitoring and reporting.

Other Findings



Governance

Review of the Council's Constitution , it was noted that it is made up of nine parts, and includes amongst other elements:

- roles and responsibilities of Members and key Senior Management;
- committee structures and their purpose, in the form of Terms of Reference; and
- Member's Code of Conduct, Member's Interests.



Review of the minutes for the 2021/22 Cabinet, Audit Committee and the Finance & Resources Overview and Scrutiny, it was noted that the minutes were informative and contained context. The Monitoring Officer advised, that he attends the Cabinet and Full Council meetings, to ensure that the meetings are conducted appropriately and the minutes of these meetings are reviewed for factual accuracy and legitimacy.



Risk Management

During the summer of 2021/22, the Council implemented a new risk management and compliance software called 'Inphase', which is used for both Corporate and Operational risk registers.

Risk Owners update Inphase on a quarterly basis with the latest position against the respective risk.



Two risks were selected for review from the Corporate Risk Register (CRR), as follows:

- Failure to secure sufficient investment in essential infrastructure required (***Risk Owner - Executive Director for Place***); and
- The Council is unable to recruit and retain the staff required (***Risk Owner – Strategic Director People and Transformation***).

Discussions held with the two Risk Owners, it was advised that:

- The activities/work listed on the 'Controls & Assurances' list, is in progress, which is established via regular update meetings with staff; and
- The Executive Director for Place was previously an Assistant Director for Place, and is familiar with the risk management process, as he was responsible for the risk register at an operational level.

**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.	Out of Scope	-	-
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	-	-

**Other Findings**

The Corporate Risk Register and the Operational Risk Registers are presented quarterly to Audit Committee and the Overview and Scrutiny Committees, respectively.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

- 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

- 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

- 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.

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Assurance Assessment

- 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

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	8 th December 2021	8 th December 2021
Draft Report:	11 th May 2022	8 th June 2022
Final Report:	9 th June 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Governance and Risk Management		
Type of Review:	Assurance	Audit Lead:	Audit Manager
Outline scope (per Annual Plan):	Risk: Rationale: It is vital for organisations to have good governance in place which in turn drives effective risk management. Scope: To review: the Council's Governance arrangements (topic to be specified); and Risk Management - arrangements for identifying and monitoring the mitigating controls with regards to the Council's business significant risk map. Two risks currently included in the Council's business significant risk map will be selected and the effectiveness of the identified controls will be reviewed		
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. 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.	Delivery 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 within 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:	(if required then please provide brief detail)		
Exclusions from scope:	None		

Planned Start Date:	03/02/2022	Exit Meeting Date:	25/04/2022	Exit Meeting to be held with:	Section 151 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 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



Internal Audit

FINAL

Dacorum Borough Council

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Assurance Review of Recruitment

2021/22

June 2022

Executive Summary

Page 3

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
	<p>The Council's recruitment framework agreement with 'Pertemps' recruitment was found to be out of date since March 2020.</p> <p>The Finance team approves all roles before jobs are advertised to ensure the recruitment is within the relevant service area's budgets, however, the job advertising cost is not incorporated or considered as part of the recruitment budget/cost.</p> <p>Review and testing of a sample of 10 new appointments, it was identified that key documents were copied and retained with the exception of one. Additionally, there does not appear to be any guidance/instructions in place for dealing with references not been received by HR.</p> <p>There is currently no KPI in relation to recruitment performance.</p>								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>SR5 -The Council is unable to recruit and retain the staff required</p>	<p>There is a Recruitment and Selection (Code of practice) in place. The document is up to date and reflects current practices.</p> <p>In a review of 10 newly recruited employees, a complete electronic application form was received on every occasion, DBS checks were performed, for those posts where positions interacted with vulnerable tenants, and documents for right to work in the UK were seen and certified as true copies.</p>								
SCOPE	ACTION POINTS								
	<table border="1"> <thead> <tr> <th data-bbox="1163 1240 1365 1298">Urgent</th><th data-bbox="1365 1240 1635 1298">Important</th><th data-bbox="1635 1240 1904 1298">Routine</th><th data-bbox="1904 1240 2135 1298">Operational</th></tr> </thead> <tbody> <tr> <td data-bbox="1163 1298 1365 1383">0</td><td data-bbox="1365 1298 1635 1383">1</td><td data-bbox="1635 1298 1904 1383">4</td><td data-bbox="1904 1298 2135 1383">0</td></tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	1	4	0
Urgent	Important	Routine	Operational						
0	1	4	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)
4	Directed	<p>The Council's recruitment framework agreement with 'Pertemps Recruitment' was found to be out of date since March 2020.</p> <p>It was noted that the framework agreement is currently under review and recommendations of future agency contracts is to be included in a paper to the Corporate and Commercial Board at the end of May 2022.</p>	<p>It is vital to ensure that all contracts with the Council are kept up-to-date and renewed in a timely manner.</p>	2	<p><i>The recruitment agency framework has expired. Priorities have now enabled a corporate wide project to assess the Council's approach to hiring agency workers, which commenced in January 2022 and the recommendations will be presented to the Council's Commercial Board. It is anticipated that a suggested recruitment agency framework will be in place in the summer of 2022.</i></p>	30/09/22	Matt Rawdon (Assistant Director – People)
1	Directed	<p>Review and testing of a sample of 10 newly appointed staff, it was confirmed that in all cases, where the starters were required to drive as part of their role at the Council, driving licences were obtained prior to commencement of the role.</p> <p>However, in one instance, the new starter's driving licence had not been saved onto iTrent,</p>	<p>All new starter's supporting documents/ evidence be saved on the individual's personnel file.</p>	3	<p><i>Noted. The HR checklist will be updated and staff will be informed accordingly. In this case the HR Officer signed the checklist to claim they had seen prove of the driving licence but did not save onto the HR system (iTrent).</i></p>	30/06/22	Priti Gohil (HR Team Leader)

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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	There is no specific guidance or instructions on how to deal with situations where no candidate reference has been provided.	The Council's Recruitment and Selection Code of Practice, to include instructions on how to handle circumstances, where references have not been provided.	3	<i>This is accepted and can be updated immediately to provide clearer guidance to the HR team on this particular point.</i>	30/06/22	Priti Gohil (HR Team Leader)
3	Directed	The Finance team approves all roles, prior to jobs being advertised. To ensure the recruitment cost is within the relevant service area's budgets. It was noted that the cost of the job advertising is currently not incorporated or considered in the overall recruitment budget.	Advertising costs be incorporated in the overall recruitment budget.	3	<i>There is no dedicated recruitment budget. The advertising costs are shared between the HR and individual service budgets depending on the role and choice of advertising.</i>	No further action required	Not applicable

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.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Delivery	<p>There is currently no KPI in relation to recruitment performance. The Council may wish to consider the following KPIs (This is not an exhaustive list):</p> <ul style="list-style-type: none"> • Time to Hire This KPI measures the time between when a candidate is contacted for a job opening and when they accept a job offer. • Sourcing Channel Efficiency This KPI measures the usefulness of the Council's sourcing channels, or where jobs are advertised). It helps in understanding where the most qualified candidates and the ROI of different sourcing pipelines are found. Knowing the sourcing channel efficiency KPI can be helpful in developing effective sourcing strategies and improve the overall recruiting process. • Cost Per Hire This KPI takes into account all the associated costs, including things like how much the Council pays to post the job on different job boards, any referral fees, the cost of attending job fairs, etc.. 	KPIs be introduced to measure and increase recruitment efficiency and success.	3	<p><i>Operational KPIs will be introduced to measure recruitment efficiency and success. Research will be undertaken to identify good practice KPIs in this area. It should be noted that KPIs will need to be automated as part of the system to avoid additional resource needed to collate these. If this is not possible consideration will be given on the value of KPIs versus time taken to manually produce this information.</i></p>	30/09/22	Matt Rawdon (Assistant Director – People) and Priti Gohil (HR Team Leader)

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.
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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

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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.

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	-	-
Page RM 88 C	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.	Partially in place	1, 2, 3 & 4	-

Other Findings



There is a Recruitment and Selection (Code of Practice) in place, which was last updated and reviewed in December 2021.

The Code of Practice aids employees, who take part in recruitment and selection, to ensure that the best candidate is selected for the job by providing an objective, systematic structure that adheres to recognised good Human Resource (HR) practices, and ensures that all applicants are treated fairly in accordance with the Council's Equal Opportunity Policy.



There is adequate segregation of duty throughout the recruitment process. For example:

- Interview panels are usually composed of at least two individuals, one of whom is trained in recruitment and selection; and
- Shortlisting is carried out by a minimum of two people from the interview panel, either independently or collectively.



Review and testing of a sample of 10 job advertisements relating to new recruits, it was identified that in all cases, the job advertisements had proof of a completed Establishment Management Form (EMF) being submitted to HR for approval prior to the job advertisements being published, as prescribed in the Council's code of practice.

Other Findings

Review and testing of a sample of 10 appointed staff, it was identified that in all cases, the applications included at least one reference, as stipulated by the code of practice. In addition, each application contained professional qualifications (where applicable), previous employment history, a medical declaration and a connection to the organization.

Review and testing of a sample of 10 appointed staff, it was identified that DBS checks were performed for those roles and positions where interaction was with vulnerable tenants. This has helped the Council make safer recruitment decisions and prevent unsuitable people from working with vulnerable groups, including children.

From a sample of 10 new starters selected for testing (from July 2021 to February 2022), it was confirmed that the recruiting manager raised a requisition for all 10 new starters, by completing and submitting an EMF to HR.

Detailed Job Descriptions and Personal Specifications were in place, for the 10 staff selected for testing.

A completed electronic application form was received by HR, for the 10 staff selected for testing

Seven of the 10 staff selected for testing required professional registration or qualifications to qualify for the advertised vacancies. In the seven cases, certified copies of the newly recruit's qualifications were obtained prior to appointment.

Of the 10 staff selected for testing, it was identified that in all cases, documents proving right to work in the UK were photocopied, signed and dated to state they are a true copy. Documents copied were:

- biometric residence permit number; or
- biometric residence card number; or
- passport or national identity card.

Sample of 10 staff selected for testing, to ensure details and records of staff was in place and stored safely for future references, identified that in all cases, the records were retrievable and stored securely.

Where risk assessments indicated that the post holder should be subject to a DBS, this was stated in the Person Specification for all 10 posts tested.

Other Findings



The responsibility for arranging and monitoring the organisations recruitment arrangements lies with the HR Team Lead and the Assistant Director for People.

At the time of the audit, there were eleven live job vacancies on the Council's website. Five of the eleven job posts were reviewed to ensure the Job Descriptions (JD) included the following:

- Post Title;
- Post No;
- Team;
- Grade; and
- Date the JD was created and responsibilities.

Review of all five post confirmed the above was present.

**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	5	-
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.	Out of scope	-	-

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

- 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

- 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

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Assurance Assessment

- The definitions of the assurance assessments are:

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No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	8 th December 2021	8 th December 2021
Draft Report:	19 th May 2022	9 th June 2022
Final Report:	10 th June 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Recruitment		
Type of Review:	Assurance	Audit Lead:	Auditor
Outline scope (per Annual Plan):	Risk: SR2Rationale: Scope: To evaluate the adequacy and effectiveness of controls over the new recruitment processes, in particular: there is a recruitment and selection policy in place which details staff roles and responsibilities; staff recruitment is carried out in accordance with the recruitment and selection policy; and adequate reporting mechanisms are in place to monitor staff recruitment.		
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. 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.	Delivery 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 within 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:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	14/03/2022	Exit Meeting Date:	12/05/2022	Exit Meeting to be held with:	Group Manager - People and HR & OD Team Lead
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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 8



Audit Committee

Report for:	Audit Committee
Title of report:	Strategic Risk Register Update 2021-22
Date:	22 June 2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder Finance & Resources
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A Strategic Risk Register Q4 2021-22 Appendix B Strategic Risk Register Q3 2021-22 Appendix C Risk Register Scoring Methodology
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	None.

Report Author / Responsible Officer

Nigel Howcutt , Chief Finance Officer



Nigel.howcutt@dacorum.gov.uk / 01442 228662 (ext. 2662)

Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
Wards affected	All
Purpose of the report:	1. To provide the quarter 3 and quarter 4 updates

	on the Strategic Risk Register for 2021-22.
Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> 1. That the content of the report is noted. 2. That Committee seek further assurance where required. 3. That Committee provide comments and feedback on the report for Cabinet to consider.
Period for post policy/project review:	Not applicable.

1 Background:

The purpose of this report is to present the Strategic Risk Register (SRR) as at quarter 4, 2021-22. This is the most up to date version of the SRR for 2021-22, as at 31 March 2022. The revised SRR showing the position at the end of Q4 2021-22 is attached at Appendix A.

The SRR as at quarter 3 2021-22 (as at 31 December 2021) was deferred from the March 2022 Audit Committee meeting and is attached at Appendix B.

2 Changes to the Strategic Risk Register since the last update

SRR Q3 2021-22 update (as at 31 December 2021)

Risk scores against the following strategic risks have changed since the SRR Q2 2021-22 was presented to Audit Committee in November 2021. The risk score as at Q3 2021-22 is presented below in **bold**; the risk score as at Q2 2021-22 in *italics*:

- Cyber Attack **9** (6)
- Social Media risk **9** (6)

SRR Q4 2021-22 update (as at 31 March 2022)

Risk scores against the following strategic risks have changed since the update of the SRR Q3 2021-22. The risk score as at Q4 2021/22 is presented below in **bold**; the risk score as at Q3 2021-22 in *italics*.

- Failure to secure sufficient investment in essential infrastructure required **12** (9)
- The Council will be unable to ensure that sufficient quality and affordable homes can be delivered **12** (9)

The Q4 update of the SRR will be reported to Cabinet, and will include comments and suggestions as requested by the Audit Committee.

3 Financial and value for money implications:

Where relevant, financial and value for money implications associated with strategic risks are set out within the SRR at Appendices A and B.

4 Legal Implications

Where relevant, legal implications associated with strategic risks are set out within the SRR at Appendices A and B.

5 Risk implications:

These are set out within the SRR at Appendices A and B.

6 Equalities, Community Impact and Human Rights

A Community Impact Assessment is not required for this report.

There are no Human Rights Implications arising from this report.

7 Conclusions

The SRR identifies key strategic risks for the Council and assigns a risk score to each of these risks based on consequences and likelihood of occurrence. The SRR at Q4 2021-22 shows an increase in risk scores against infrastructure investment and delivery of quality and affordable homes.

Risk Register Summary Table

Risk Name	Risk Owner	31 Mar 2022			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Cyber Attack	Jody Nason	3	3	9	The Council continues to prioritise Cyber Security and works closely with the Information Security Team Leader (within the Legal and Corporate Services Service) to ensure that our data is secure and the Council is compliant. Q3 saw the annual Public Sector Network (PSN) accreditation process completed. This includes the undertaking of rigorous third-party health checks by Cabinet Office approved ethical hackers, both from outside and within the Council's network. DBC ICT then prepares and implements a Remedial Action Plan in response to these health checks, which is submitted directly to the Cabinet Office as part of our re-accreditation submission. On 21st January, the Cabinet Office confirmed that they were satisfied with Council's approach and our accreditation was renewed for a further year.

Risk Name	Risk Owner	31 Mar 2022			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Failure to secure sufficient investment in essential infrastructure required	James Doe	3	4	12	<p>The Dacorum Infrastructure Delivery Plan (IDP) continues to be developed for the Local Plan Period to 2038. This sets out clearly what new infrastructure provision is needed to support to support planned growth, and how it should and can be funded.</p> <p>There is also a separate yet heavily related IDP in preparation to support longer term growth arising from Hemel Garden Communities running through to the mid-2050s.</p> <p>Both IDPs are critical to forming the basis for funding strategies to ensure the delivery of new infrastructure which will come through a combination mainly of developer contributions (s106 obligations on developers and Community Infrastructure Levy receipts) and opportunities to seek external funding.</p> <p>Hemel Garden Communities' annual bid to Homes England included provision for capital works to support a number of sustainable transport initiatives including Canal towpath upgrades, extension of the Buncefield Lane cycleway. An announcement is expected early in 22/23.</p> <p>The planning moratorium on new residential development came into effect on 14 March 2022. The Council has engaged specialist consultants to work with it, Natural England and the National Trust on preparing a mitigation strategy for ecological damage to the Chilterns Beechwoods Special Area of Conservation. Once concluded and approved to the satisfaction of Natural England, the moratorium should be lifted. This is critical in that the delivery of new infrastructure in relation to new housing developments coming through the planning process will be held up whilst the moratorium is in place, and the securing of developer contributions (both via s106 and CIL).</p> <p>A second bid to Levelling Up Fund round 2 is being prepared for summer 2022.</p>

Risk Name	Risk Owner	31 Mar 2022				
		RM01 Risk Consequence	RM02 Risk Likelihood	Status		
		Actual	Actual	Actual	Update	
Funding and income is not sufficient to deliver the Council's Corporate Objectives	Robin Barton	3	3	9		<p>There are no changes to this risk score for Quarter 3 21/22. During this period the provisional 22/23 local government finance settlement was announced and this confirmed the continuation of single year settlements. This did indicate an additional £1.7m of one off funding that at present is proposed to be allocated to reserves. There were no specific medium term funding announcements.</p> <p>The impact of Covid continues to provide uncertainty and during this quarter the Omicron strain and the implementation of Plan B measures has provided further uncertainty to short term income generation services.</p>
Social media risk	Jody Nason	3	3	9		<p>Weekly social media and print media reported to SLT to manage risk and to have oversight of social media content</p>
The Council is unable to recruit and retain the staff required	Jody Nason	3	2	6		<p>People Strategy is being developed with staff feedback sessions planned for the next month which will support broader recruitment and retention activity.</p> <p>A review of agency spend is underway across HR and Procurement – whilst primarily looking at spend this will also look at wider recruitment and retention activities.</p>
The Council will be unable to ensure that sufficient quality & affordable homes can be delivered	James Doe	4	3	12		<p>The planning moratorium on new residential development came into effect on 14 March 2022. The Council has engaged specialist consultants to work with it, Natural England and the National Trust on preparing a mitigation strategy for ecological damage to the Chilterns Beechwoods Special Area of Conservation. Once concluded and approved to the satisfaction of Natural England, the moratorium should be lifted. This is critical in that the delivery of new infrastructure in relation to new housing developments coming through the planning process will be held up whilst the moratorium is in place, and the securing of developer contributions (both via s106 and CIL).</p> <p>The delivery of new Council homes through the Council House New Build Programme is also impacted by the planning moratorium in respect of sites which have not yet achieved the grant of planning permission. This is being mitigated to some degree for sites which have planning permission although the discharge of planning conditions remain outstanding. The new build programme is somewhat unique as it provides social housing to people already resident in the Borough whereby no further pressure will be placed on the Special Area of Conservation. Each case is being reviewed and in cases where development is considered appropriate to</p>

Risk Name	Risk Owner	31 Mar 2022			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
					<p>proceed, the Council as developer will complete a Unilateral Undertaking under Town and Country Planning Legislation to only place tenants in the new properties that already reside within the defined Chilterns Beechwoods Zone of Influence, and for any backfilling of Council homes vacated by current tenants, not to house any residents from outside this Zone of Influence.</p> <p>Otherwise, the supply of affordable housing from both the remainder of the Council House New Build Programme and other provision coming forward from Registered Providers and other affordable housing models will be held up by the moratorium, which contributes to the enhanced risk rating for Q4 2021/22.</p> <p>Other updates for Q4:</p> <p>The First Homes policy from central government – aimed at increasing the amount of new housing for first time buyers – is likely to reduce the ability of the Council as planning authority to secure as much affordable rent housing through new developments as it has been able to do so previously.</p> <p>A revised programme for the production of the new Local Plan for Dacorum (the Local Development Scheme) has been approved by the Council setting out a clear path and timetable to lead to adoption, with the next draft of the Plan due to be published for public consultation (the 2nd 'Regulation 18' version) in June 2023.</p> <p>Aside from planning moratorium issues, Council Officers continue to work proactively with developers on proposed development sites, with appropriate and rigorous challenge through viability assessment, to ensure that, specific to each case's circumstances and taking into account all other planning and infrastructure requirements, the affordable housing output is maximised.</p>
Uncertainty around Brexit negotiations could result in additional demand for council services.	Robin Barton	2	4	8	There are no changes to this risk during the quarter. The main impact of Brexit continues to relate to the shortage of skilled contractors, mainly in construction and service contracts that the Council holds and the implications are being managed through the individual contracts.

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Risk Register Details Table

Risk Name	Detail	31 Mar 2022
		Status

Risk Name	Detail	31 Mar 2022 Status
Cyber Attack	Risk Owner	Jody Nason
	Portfolio	Community & Regulatory Services
	Risk Description	Risk of cyber attack or ransomware.
	Comments	<p>The Council continues to prioritise Cyber Security and works closely with the Information Security Team Leader (within the Legal and Corporate Services Service) to ensure that our data is secure and the Council is compliant.</p> <p>Q3 saw the annual Public Sector Network (PSN) accreditation process completed. This includes the undertaking of rigorous third-party health checks by Cabinet Office approved ethical hackers, both from outside and within the Council's network. DBC ICT then prepares and implements a Remedial Action Plan in response to these health checks, which is submitted directly to the Cabinet Office as part of our re-accreditation submission.</p> <p>On 21st January, the Cabinet Office confirmed that they were satisfied with Council's approach and our accreditation was renewed for a further year.</p>
	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)
Failure to secure sufficient investment in	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>
	Risk Owner	James Doe
	Portfolio	Planning & Infrastructure

Risk Name	Detail	31 Mar 2022 Status
essential infrastructure required	<p>Risk Description</p> <p>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</p> <p>Comments</p> <p>The Dacorum Infrastructure Delivery Plan (IDP) continues to be developed for the Local Plan Period to 2038. This sets out clearly what new infrastructure provision is needed to support planned growth, and how it should and can be funded.</p> <p>There is also a separate yet heavily related IDP in preparation to support longer term growth arising from Hemel Garden Communities running through to the mid-2050s.</p> <p>Both IDPs are critical to forming the basis for funding strategies to ensure the delivery of new infrastructure which will come through a combination mainly of developer contributions (s106 obligations on developers and Community Infrastructure Levy receipts) and opportunities to seek external funding.</p> <p>Hemel Garden Communities' annual bid to Homes England included provision for capital works to support a number of sustainable transport initiatives including Canal towpath upgrades, extension of the Buncefield Lane cycleway. An announcement is expected early in 22/23.</p> <p>The planning moratorium on new residential development came into effect on 14 March 2022. The Council has engaged specialist consultants to work with it, Natural England and the National Trust on preparing a mitigation strategy for ecological damage to the Chilterns Beechwoods Special Area of Conservation. Once concluded and approved to the satisfaction of Natural England, the moratorium should be lifted. This is critical in that the delivery of new infrastructure in relation to new housing developments coming through the planning process will be held up whilst the moratorium is in place, and the securing of developer contributions (both via s106 and CIL).</p> <p>A second bid to Levelling Up Fund round 2 is being prepared for summer 2022.</p>	
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) 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. 	

Risk Name	Detail	31 Mar 2022 Status
	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, SLT, Cabinet and Overview and Scrutiny Committee • Fortnightly reporting on key projects to SLT • 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>
	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	Robin Barton
	Portfolio	Finance & Resources
	Risk Description	Funding and income is not sufficient to deliver the Council's Corporate Objectives
	Comments	<p>There are no changes to this risk score for Quarter 3 21/22. During this period the provisional 22/23 local government finance settlement was announced and this confirmed the continuation of single year settlements. This did indicate an additional £1.7m of one off funding that at present is proposed to be allocated to reserves. There were no specific medium term funding announcements.</p> <p>The impact of Covid continues to provide uncertainty and during this quarter the Omicron strain and the implementation of Plan B measures has provided further uncertainty to short term income generation services.</p>

Risk Name	Detail	31 Mar 2022
		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 crystallizing through the effective modelling of the future financial environment. Sound financial planning maximizes 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 2021 MTFS outlines the continuation of the ongoing 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 September 2021 Cabinet Agenda, Item 9: (Public Pack)Agenda Document for Cabinet, 21/09/2021 19:30 (dacorum.gov.uk)</p> <p>In addition to the MTFS, quarterly Covid Updates have been reported to Cabinet throughout the 20/21 and 21/22 financial years outlining the constantly evolving financial implications of the pandemic. 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 to 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 maintained the Impact score of 3, 'High'.</p>

Risk Name	Detail	31 Mar 2022
		Status
	Evidence Risk is being managed	<p>Internal Audit</p> <p>In recent years, the Council has received independent, third-party audit reviews of the financial processes that contribute to the management of this risk:</p> <p>The 'Budgetary Control' process is audited by the Council's Internal Auditors annually and in 2020, and 2021 has received the highest level of assurance.</p> <p>The 'Core Financial Systems and Budgetary Control' which have also achieved 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 third 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.</p> <p>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 not expected to continue in the medium 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 ongoing Covid-related losses, combined with uncertainty around the duration of the pandemic and the unknown timing and severity of the economic recovery period creates a significant financial threat to the Council's in-year and medium term 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	Detail	31 Mar 2022 Status
Social media risk	Risk Owner	Jody Nason
	Portfolio	Corporate & Contracted Services
	Risk Description	Confidentiality and reputational issues
	Comments	Weekly social media and print media reported to SLT to manage risk and to have oversight of social media content
	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 signup 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	Jody Nason
	Portfolio	Community & Regulatory Services
	Risk Description	The Council is unable to recruit and retain the staff required to progress as a Modern and Efficient Council

Risk Name	Detail	31 Mar 2022 Status
	Comments	<p>People Strategy is being developed with staff feedback sessions planned for the next month which will support broader recruitment and retention activity.</p> <p>A review of agency spend is underway across HR and Procurement – whilst primarily looking at spend this will also look at wider recruitment and retention activities.</p>
	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	31 Mar 2022 Status
	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>
The Council will be unable to ensure that sufficient	Risk Owner	James Doe
	Portfolio	Housing

Risk Name	Detail	31 Mar 2022 Status
quality & affordable homes can be delivered	<p>Risk Description</p> <p>The Council will be unable to ensure that sufficient good quality and affordable homes can be delivered, particularly for those most in need</p> <p>Comments</p> <p>The planning moratorium on new residential development came into effect on 14 March 2022. The Council has engaged specialist consultants to work with it, Natural England and the National Trust on preparing a mitigation strategy for ecological damage to the Chilterns Beechwoods Special Area of Conservation. Once concluded and approved to the satisfaction of Natural England, the moratorium should be lifted. This is critical in that the delivery of new infrastructure in relation to new housing developments coming through the planning process will be held up whilst the moratorium is in place, and the securing of developer contributions (both via s106 and CIL).</p> <p>The delivery of new Council homes through the Council House New Build Programme is also impacted by the planning moratorium in respect of sites which have not yet achieved the grant of planning permission. This is being mitigated to some degree for sites which have planning permission although the discharge of planning conditions remain outstanding. The new build programme is somewhat unique as it provides social housing to people already resident in the Borough whereby no further pressure will be placed on the Special Area of Conservation. Each case is being reviewed and in cases where development is considered appropriate to proceed, the Council as developer will complete a Unilateral Undertaking under Town and Country Planning Legislation to only place tenants in the new properties that already reside within the defined Chilterns Beechwoods Zone of Influence, and for any backfilling of Council homes vacated by current tenants, not to house any residents from outside this Zone of Influence.</p> <p>Otherwise, the supply of affordable housing from both the remainder of the Council House New Build Programme and other provision coming forward from Registered Providers and other affordable housing models will be held up by the moratorium, which contributes to the enhanced risk rating for Q4 2021/22.</p> <p>Other updates for Q4:</p> <p>The First Homes policy from central government - aimed at increasing the amount of new housing for first time buyers - is likely to reduce the ability of the Council as planning authority to secure as much affordable rent housing through new developments as it has been able to do so previously. A revised programme for the production of the new Local Plan for Dacorum (the Local Development Scheme) has been approved by the Council setting out a clear path and timetable to lead to adoption, with the next draft of the Plan due to be published for public consultation (the 2nd 'Regulation 18' version) in June 2023.</p> <p>Aside from planning moratorium issues, Council Officers continue to work proactively with developers on proposed development sites, with appropriate and rigorous challenge through viability assessment, to ensure that, specific to each case's circumstances and taking into account all other planning and infrastructure requirements, the affordable housing output is maximised.</p>	

Risk Name	Detail	31 Mar 2022 Status
	Controls & Assurances	<p>The Local Plan is currently under development and the next consultation point with the public and stakeholders is scheduled for mid-2023, following the Regulation 18 consultation over the winter of 2020/21.</p> <p>The new Plan 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> <p>The Planning Moratorium of 2022 (as a result of ecological impacts on the Chiltern Beechwoods Special Areas of Conservation) for the HRA new build programme presents some new risks over timing and cost of the delivery of sites which are yet to receive all full planning consents.</p> <p>Annual cost price inflation for materials and labour is running in the region of 20% and as of June 2022 looks set to continue. It is possible that a prolonged moratorium may put at risk recently-awarded Homes England funding. Together, these factors could add significant financial pressure to the cost of the programme under the HRA Business Plan.</p> <p>The Council's planning service is working on a mitigation strategy with appointed consultants and partner organisations. The first draft of this has been received as of early June 2022. If acceptable it could lead to the lifting of the moratorium later in 2022, but this is not certain at the current time. As such the risk rating has been raised from 9 to 12 at this stage.</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	31 Mar 2022
		Status
	<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. • the impact of the First Homes Policy from Government putting further pressure on the Council's ability to provide genuinely affordable homes to people most in need through the planning process. <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	31 Mar 2022 Status
Uncertainty around Brexit negotiations could result additional demand for council services.	Risk Owner	Robin Barton
	Portfolio	Corporate & Contracted Services
	Risk Description	Uncertainty around Brexit negotiations could result in the Council facing additional demand for its services in the short to medium-term
	Comments	There are no changes to this risk during the quarter. The main impact of Brexit continue to relate to the shortage of skilled contractors, mainly in construction and service contracts that the Council holds and the implications are being managed through the individual contracts.
	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 SLT 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>

Risk Register Summary Table

Risk Name	Risk Owner	31 Dec 2021			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Cyber Attack	Jody Nason	3	3	9	The Council continues to prioritise Cyber Security and works closely with the Information Security Team Leader (within the Legal and Corporate Services Service) to ensure that our data is secure and the Council is compliant. Q3 saw the annual Public Sector Network (PSN) accreditation process completed. This includes the undertaking of rigorous third-party health checks by Cabinet Office approved ethical hackers, both from outside and within the Council's network. DBC ICT then prepares and implements a Remedial Action Plan in response to these health checks, which is submitted directly to the Cabinet Office as part of our re-accreditation submission. On 21st January, the Cabinet Office confirmed that they were satisfied with Council's approach and our accreditation was renewed for a further year.
Failure to secure sufficient investment in essential infrastructure required	James Doe	3	3	9	The Dacorum Infrastructure Delivery Plan (IDP) continues to be developed for the Local Plan Period to 2038. This sets out clearly what new infrastructure provision is needed to support to support planned growth, and how it should and can be funded. There is also a separate yet heavily related IDP in preparation to support longer term growth arising from Hemel Garden Communities running through to the mid-2050s. Both IDPs are critical to forming the basis for funding strategies to ensure the delivery of new infrastructure which will come through a combination mainly of developer contributions (s106 obligations on developers and Community Infrastructure Levy receipts) and opportunities to seek external funding.

Risk Name	Risk Owner	31 Dec 2021			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Funding and income is not sufficient to deliver the Council's Corporate Objectives	Robin Barton	3	3	9	<p>There are no changes to this risk score for Quarter 3 21/22. During this period the provisional 22/23 local government finance settlement was announced and this confirmed the continuation of single year settlements. This did indicate an additional £1.7m of one off funding that at present is proposed to be allocated to reserves. There were no specific medium term funding announcements.</p> <p>The impact of Covid continues to provide uncertainty and during this quarter the Omicron strain and the implementation of Plan B measures has provided further uncertainty to short term income generation services.</p>
Social media risk	Jody Nason	3	3	9	Weekly social media and print media reported to SLT to manage risk and to have oversight of social media content
The Council is unable to recruit and retain the staff required	Jody Nason	3	2	6	<p>People Strategy is being developed with staff feedback sessions planned for the next month which will support broader recruitment and retention activity.</p> <p>A review of agency spend is underway across HR and Procurement - whilst primarily looking at spend this will also look at wider recruitment and retention activities.</p>

Risk Name	Risk Owner	31 Dec 2021			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
The Council will be unable to ensure that sufficient quality & affordable homes can be delivered	James Doe	3	3	9	<p>The supply of affordable housing from the Council House New Build Programme and other provision coming forward from Registered Providers and other affordable housing models is likely to be held up if the council has to impose a planning moratorium in respect of new residential development, because of potential damage to the Chilterns Beechwoods. The First Homes policy from central government - aimed at increasing the amount of new housing for first time buyers - is likely to reduce the ability of the Council as planning authority to secure as much affordable rent housing through new developments as it has been able to do so previously.</p> <p>A revised programme for the production of the new Local Plan for Dacorum (the Local Development Scheme) has been approved by the Council setting out a clear path and timetable to lead to adoption, with the next draft of the Plan due to be published for public consultation (the 2nd 'Regulation 18' version) in June 2023.</p> <p>Council Officers continue to work proactively with developers on proposed development sites, with appropriate and rigorous challenge through viability assessment, to ensure that, specific to each case's circumstances and taking into account all other planning and infrastructure requirements, the affordable housing output is maximised.</p>
Uncertainty around Brexit negotiations could result additional demand for council services.	Robin Barton	2	4	8	<p>There are no changes to this risk during the quarter. The main impact of Brexit continues to relate to the shortage of skilled contractors, mainly in construction and service contracts that the Council holds and the implications are being managed through the individual contracts.</p>

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Risk Register Details Table

Risk Name	Detail	31 Dec 2021
		Status

Risk Name	Detail	31 Dec 2021 Status
Cyber Attack	Risk Owner	Jody Nason
	Portfolio	Community & Regulatory Services
	Risk Description	Risk of cyber attack or ransomware.
	Comments	<p>The Council continues to prioritise Cyber Security and works closely with the Information Security Team Leader (within the Legal and Corporate Services Service) to ensure that our data is secure and the Council is compliant.</p> <p>Q3 saw the annual Public Sector Network (PSN) accreditation process completed. This includes the undertaking of rigorous third-party health checks by Cabinet Office approved ethical hackers, both from outside and within the Council's network. DBC ICT then prepares and implements a Remedial Action Plan in response to these health checks, which is submitted directly to the Cabinet Office as part of our re-accreditation submission.</p> <p>On 21st January, the Cabinet Office confirmed that they were satisfied with Council's approach and our accreditation was renewed for a further year.</p>
	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	Risk Owner	James Doe
	Portfolio	Planning & Infrastructure

Risk Name	Detail	31 Dec 2021 Status
essential infrastructure required	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	The Dacorum Infrastructure Delivery Plan (IDP) continues to be developed for the Local Plan Period to 2038. This sets out clearly what new infrastructure provision is needed to support planned growth, and how it should and can be funded. There is also a separate yet heavily related IDP in preparation to support longer term growth arising from Hemel Garden Communities running through to the mid-2050s. Both IDPs are critical to forming the basis for funding strategies to ensure the delivery of new infrastructure which will come through a combination mainly of developer contributions (s106 obligations on developers and Community Infrastructure Levy receipts) and opportunities to seek external funding.
	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) 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.

Risk Name	Detail	31 Dec 2021 Status
	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>
	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	Robin Barton
	Portfolio	Finance & Resources
	Risk Description	Funding and income is not sufficient to deliver the Council's Corporate Objectives
	Comments	<p>There are no changes to this risk score for Quarter 3 21/22. During this period the provisional 22/23 local government finance settlement was announced and this confirmed the continuation of single year settlements. This did indicate an additional £1.7m of one off funding that at present is proposed to be allocated to reserves. There were no specific medium term funding announcements.</p> <p>The impact of Covid continues to provide uncertainty and during this quarter the Omicron strain and the implementation of Plan B measures has provided further uncertainty to short term income generation services.</p>

Risk Name	Detail	31 Dec 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 crystallizing through the effective modelling of the future financial environment. Sound financial planning maximizes 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 2021 MTFS outlines the continuation of the ongoing 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 September 2021 Cabinet Agenda, Item 9: (Public Pack)Agenda Document for Cabinet, 21/09/2021 19:30 (dacorum.gov.uk)</p> <p>In addition to the MTFS, quarterly Covid Updates have been reported to Cabinet throughout the 20/21 and 21/22 financial years outlining the constantly evolving financial implications of the pandemic. 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 to 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 maintained the Impact score of 3, 'High'.</p>

Risk Name	Detail	31 Dec 2021 Status
	Evidence Risk is being managed	<p>Internal Audit</p> <p>In recent years, the Council has received independent, third-party audit reviews of the financial processes that contribute to the management of this risk:</p> <p>The 'Budgetary Control' process is audited by the Council's Internal Auditors annually and in 2020, and 2021 has received the highest level of assurance.</p> <p>The 'Core Financial Systems and Budgetary Control' which have also achieved 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>
Page 120	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 third 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.</p> <p>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 not expected to continue in the medium 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 ongoing Covid-related losses, combined with uncertainty around the duration of the pandemic and the unknown timing and severity of the economic recovery period creates a significant financial threat to the Council's in-year and medium term 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	Detail	31 Dec 2021 Status
Social media risk	Risk Owner	Jody Nason
	Portfolio	Corporate & Contracted Services
	Risk Description	Confidentiality and reputational issues
	Comments	Weekly social media and print media reported to SLT to manage risk and to have oversight of social media content
	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 signup 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	Jody Nason
	Portfolio	Community & Regulatory Services
	Risk Description	The Council is unable to recruit and retain the staff required to progress as a Modern and Efficient Council

Risk Name	Detail	31 Dec 2021 Status
	Comments	<p>People Strategy is being developed with staff feedback sessions planned for the next month which will support broader recruitment and retention activity.</p> <p>A review of agency spend is underway across HR and Procurement - whilst primarily looking at spend this will also look at wider recruitment and retention activities.</p>
	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	31 Dec 2021 Status
	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>
The Council will be unable to ensure that sufficient quality & affordable homes can be delivered	Risk Owner	James Doe
	Portfolio	Housing
	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	<p>The supply of affordable housing from the Council House New Build Programme and other provision coming forward from Registered Providers and other affordable housing models is likely to be held up if the council has to impose a planning moratorium in respect of new residential development, because of potential damage to the Chilterns Beechwoods.</p> <p>The First Homes policy from central government - aimed at increasing the amount of new housing for first time buyers - is likely to reduce the ability of the Council as planning authority to secure as much affordable rent housing through new developments as it has been able to do so previously.</p> <p>A revised programme for the production of the new Local Plan for Dacorum (the Local Development Scheme) has been approved by the Council setting out a clear path and timetable to lead to adoption, with the next draft of the Plan due to be published for public consultation (the 2nd 'Regulation 18' version) in June 2023.</p> <p>Council Officers continue to work proactively with developers on proposed development sites, with appropriate and rigorous challenge through viability assessment, to ensure that, specific to each case's circumstances and taking into account all other planning and infrastructure requirements, the affordable housing output is maximised.</p>

Risk Name	Detail	31 Dec 2021 Status
Page 124	Controls & Assurances	<p>The Local Plan is currently under development and the next consultation point with the public and stakeholders is scheduled for mid-2023, following the Regulation 18 consultation over the winter of 2020/21.</p> <p>The new Plan 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	31 Dec 2021 Status
	Consequences / Impacts	<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. - the impact of the First Homes Policy from Government putting further pressure on the Council's ability to provide genuinely affordable homes to people most in need through the planning process. <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	31 Dec 2021 Status
Uncertainty around Brexit negotiations could result additional demand for council services.	Risk Owner	Robin Barton
	Portfolio	Corporate & Contracted Services
	Risk Description	Uncertainty around Brexit negotiations could result in the Council facing additional demand for its services in the short to medium-term
	Comments	There are no changes to this risk during the quarter. The main impact of Brexit continue to relate to the shortage of skilled contractors, mainly in construction and service contracts that the Council holds and the implications are being managed through the individual contracts.
	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>

Risk Scoring Methodology

Impact Score

The following descriptions and definitions of impact are indicative and not exhaustive. They are a guide to assist you in assessing the impact of the risk **should** it occur.

Description	Factor	Score
<ul style="list-style-type: none"> Brief disruption of service area – up to 1 day No or insignificant environmental damage Financial loss < £5,000 Minor injury (first aid treatment) to an individual or several people Complaint from member of public Litigation/claims/fines up to £5,000 No reputational damage – little or no local press interest 	Minor	1
<ul style="list-style-type: none"> Service disruption 2-3 days Adverse effect on services in one or more areas for a period of several weeks Financial loss < £25,000 Adverse local publicity Significant injury to an individual or several people – medical treatment required Litigation/claims/fines up to £25,000 	Significant	2
<ul style="list-style-type: none"> Service disruption 3-5 days Complete loss of service area for 3-5 days Financial loss up to £50,000 Adverse publicity in professional/municipal press Adverse local publicity of a persistent nature Major injury to an individual or several people Litigation/claims/fines up to £50,000 	Serious	3
<ul style="list-style-type: none"> Service disruption 5+ days Major loss of service, including several important areas, and/or for a protracted period Financial loss >£50,000 Adverse and persistent national media coverage Adverse central government response, involving (threat of) removal of delegated powers Officers and/or Members forced to resign Loss of life Litigation/claims/fines >£50,000 	Major	4

Likelihood Score

The following descriptions and definitions of likelihood of the risk occurring are intended as a guide to assist you in arriving at your risk score.

Description	Indicators	Factor	Score
Less than 10% chance of occurrence	Has happened rarely/never before	Very unlikely	1
10 – 40% chance of occurrence	Only likely to happen every 3 or more years	Unlikely	2
40-75% chance of occurrence	Likely to happen at some point within the next 1–2 years. Circumstances occasionally encountered – few times a year	Likely	3
More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered – daily, weekly, monthly	Very likely	4

Scoring the risk

The charts above are designed to help you score the risks in terms of likelihood and impact.

This is carried out in two stages:

- Multiply the likelihood and impact scores together, as if there were **no** controls in place. This will give you an inherent risk score.
- With the list of controls that are currently in place, re-score the risk, taking into account the effect of these controls.

These final scores will give you a risk profile of those risks that may need more immediate attention.

Risk Score	Overall Rating
12 - 16	HIGH
6 - 10	MEDIUM
1 - 4	LOW

Level of Risk / (Inherent Risk Score)	Managing the risk
High Risk (12-16)	<p>Requires active management High impact / High likelihood: risk requires active management to manage down and maintain exposure at an acceptable level Contingency Plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile</p>
Medium Risk (6-10)	<p>Good Housekeeping May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain same Contingency Plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile</p>
Low Risk (1-4)	<p>Review Periodically Only put mitigations in place if it's cost effective to do so</p>

Agenda Item 9

MEETING DATE	DEADLINE TO MEMBER SUPPORT	STANDING ITEMS	ITEMS:
27/07/22	18/07/22	Apologies for absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit Work Programme	
15/09/22	06/09/22	Apologies for absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit Work Programme	
09/11/22	31/10/22	Apologies for absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit Work Programme	

08/02/23	31/01/23	Apologies for absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit Work Programme	
22/03/23	13/03/23	Apologies for absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit Work Programme	