

Public Document Pack



Democratic Services
White Cliffs Business Park
Dover
Kent
CT16 3PJ

Telephone: (01304) 821199
Website: www.dover.gov.uk
e-mail: democraticservices@dover.gov.uk

29 November 2023

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **GOVERNANCE COMMITTEE** will be held in the Council Chamber at these Offices on Thursday 7 December 2023 at 6.00 pm when the following business will be transacted.

Members of the public who require further information are asked to contact Democratic Services on (01304) 872305 or by e-mail at democraticservices@dover.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Nicky', written over a white background. The signature is fluid and cursive.

Chief Executive

Governance Committee Membership:

H M Williams (Chairman)
S H Beer (Vice-Chairman)
M Bates
R M Knight
J P Loffman
S C Manion
L M Wright

AGENDA

1 **APOLOGIES**

To receive any apologies for absence.

2 **APPOINTMENT OF SUBSTITUTE MEMBERS**

To note appointments of Substitute Members.

3 **DECLARATIONS OF INTEREST** (Page 4)

To receive any declarations of interest from Members in respect of business to be

transacted on the agenda.

4 **MINUTES** (Pages 5 - 10)

To confirm the attached Minutes of the meeting of the Committee held on 28 September 2023.

5 **RISK MANAGEMENT STRATEGY** (Pages 11 - 55)

To consider the attached report of the Head of Corporate Services and Democracy.

6 **ANNUAL COMPLAINTS REPORT** (Pages 56 - 61)

To consider the attached report of the Head of Corporate Services and Democracy.

7 **QUARTERLY INTERNAL AUDIT UPDATE REPORT** (Pages 62 - 81)

To consider the attached report of the Head of Audit Partnership (East Kent Audit Partnership).

8 **EXCLUSION OF THE PRESS AND PUBLIC** (Page 82)

The recommendation is attached.

MATTERS WHICH THE MANAGEMENT TEAM SUGGESTS SHOULD BE CONSIDERED IN PRIVATE AS THE REPORT CONTAINS EXEMPT INFORMATION AS DEFINED WITHIN PART 1 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AS INDICATED AND IN RESPECT OF WHICH THE PROPER OFFICER CONSIDERS THAT THE PUBLIC INTEREST IN MAINTAINING THE EXEMPTION OUTWEIGHS THE PUBLIC INTEREST IN DISCLOSING THE INFORMATION

9 **QUARTERLY INTERNAL AUDIT UPDATE REPORT - RESTRICTED** (Pages 83 - 88)

To consider the attached report of the Head of Audit Partnership (East Kent Audit Partnership).

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The meetings in which these cameras will be used include meetings of: (a) Council; (b) Cabinet; (c) Dover Joint Transportation Advisory Board; (d) General Purposes Committee; (e) Electoral Matters Committee; (f) Governance Committee; (g) Planning Committee; (h) General Purposes Committee and (i) Overview and Scrutiny Committee. Only agenda items open to the press and public to view will be broadcast.

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Large print copies of this agenda can be supplied on request.

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 28 September 2023 at 6.00 pm.

Present:

Chairman: Councillor H M Williams

Councillors: S H Beer
M Bates
R M Knight
J P Loffman
L M Wright

Officers: Strategic Director (Corporate and Regulatory)
Head of Audit Partnership (East Kent Audit Partnership)
Head of Finance and Investment
Democratic and Corporate Services Manager
Community, Asylum and Transport Services Manager
Income and Tenancy Sustainment Manager
Benefits Manager (Civica)
Key Audit Partner (Grant Thornton - External Auditors)
Democratic Services Officer

7 APOLOGIES

An apology for absence was received from Councillor S C Manion.

8 APPOINTMENT OF SUBSTITUTE MEMBERS

The Democratic Services Officer advised that no notice had been received for the appointment of substitute members.

9 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

10 MINUTES

The Minutes of the meeting held on 29 June 2023 were approved as a correct record for signing by the Chairman.

11 REVISION TO CONTRACT STANDING ORDERS

The Head of Finance and Investment presented the Revision to Contract Standing Orders report to the Committee. The report highlighted a typographical error for correction and two proposed amendments for inclusion in the Contract Standing Orders that were last updated and adopted on 25 January 2023.

RESOLVED: That the Governance Committee recommend to Council that the revised Contract Standing Orders appended to the report be adopted.

12 ANNUAL DEBT COLLECTION REPORT FOR EAST KENT SERVICES (MANAGED BY CIVICA UK LTD)

The Benefits Manager (Civica UK Ltd) presented the Annual Debt Collection Report for East Kent Services (managed by Civica UK Ltd) to the Committee. The annual report was constitutionally required to provide an overview of the debt and write-off position for debts managed by Civica UK Ltd.

Members' attention was drawn to paragraph 1.7 of the report which provided a summary of the main points from the report and overall provided good news. There were no write-offs for Council Tax over £10,000 for 2022/23 and following an internal audit of the write-off process, a substantial assurance level was received.

Assurances were given to Members that staff worked efficiently and pro-actively ensuring that all legal statutory processes and procedures were followed to recover debt.

Following a request from Members, the Benefits Manager agreed to amend future reports to the Committee and to move the definitions (as shown in Appendix 1 of the report) to the beginning to aid understanding.

RESOLVED: That Members noted

- (a) The value of income collected and write-offs for each type of income, as set out in the report;
- (b) The generally high collection rates;
- (c) The aged debt profile.

13 ANNUAL REPORT FOR DOVER DISTRICT COUNCIL HOUSING SERVICES WRITE OFFS OF FORMER TENANT ARREARS

The Income and Tenancy Sustainment Manager presented the Annual Report for Dover District Council Housing Services Write-Offs of Former Tenant Arrears to the Committee.

Members were provided with background to the current position of the service. The Council's housing service had returned to Dover District Council from East Kent Housing (EKH) in October 2020. Following this transfer, work was focussed on the current tenant arrears with limited resources in the team. Once fully resourced in 2021, work started on the former tenant arrears and write-offs which had not been worked on for many years at EKH and which led to the decision made by the Head of Finance and Investment to bulk write off the former tenant arrears that were non-recoverable arrears, uneconomical to pursue or out of time.

Following imminent recruitment of two full-time officers within the team, the service was now fully staffed and included two Benefit and Money Advisors who pro-actively worked to reduce tenant arrears and worked with tenants from the start of their tenancies to ensure they had access to benefit entitlements. These advisors helped tenants during Covid and with the cost of living, and having helped obtain over £1m in benefits, such as Personal Independence Payment (PIP), for tenants who were most vulnerable.

In 2022/23 two cases over £5,000 were written off. Legal action to recover particularly high cases of former tenant debt was being taken although considering officer time and court costs compared to the recovery amount, it was not yet known whether this would be successful and worthwhile.

Members thanked officers for their hard work and efficiency since the service was brought in-house and for their work to provide support for the most vulnerable tenants.

RESOLVED: That the report be noted.

14 ANNUAL WRITE OFF REPORT FOR PARKING SERVICES

The Community, Asylum and Transport Services Manager presented the Annual Write-Off Report for Parking Services to the Committee. The annual report was constitutionally required to provide an overview of the write-off position of Penalty Charge Notices issued by Parking Services.

Following the audit of Parking Services and the No Assurance opinion which was reported to the Governance Committee on 29 June 2023, the report was brought to the attention of the Committee for the first time and was a result of the processes put in place to address the issues that gave rise to that opinion. The report detailed the arrangements for the collection of Penalty Charge Notice (PCN) debts and the various arrangement for managing write-offs, which were managed on a day-to-day basis by the Parking Services team.

Write-offs processed in 2022/23 totalled £159,589 and 15% of PCNs issued were written off. Dover District Council (DDC) received payment for approximately 10% of PCN issued, compared to 8-12% recovery at other authorities. Multi-agency days and intelligence led operations between the collection agency, Marstons, the police and DDC's parking services helped to retrieve debt and target known persistent evaders.

With regard to PCNs issued to foreign vehicles, for 2022/23 these totalled 239 tickets written-off. However, efforts were made to retrieve the debt through the European Debt Collection Agency.

Members congratulated the Parking Services team for the work carried out during the year.

RESOLVED: That Members note the value of income collected and write-offs for each type of income, as set out in the report.

15 AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Key Audit Partner (Grant Thornton – External Auditors) who was in attendance remotely, presented the Audit Progress Report and Sector Update to the Committee.

Members' attention was drawn to the update on progress up to March 2023. The financial statement audit 2020/21 was still in progress and was awaiting responses to audit queries and requests from officers. The Head of Finance and Investment advised that it was hoped that these issues would be addressed by the end of the year with the intention of bringing the 2020/21 financial statements to the Committee in March 2024. The 2021/22 and 2022/23 financial statements audits were not yet

started and following the proposals made by the Department for Levelling Up, Housing and Communities (DLUHC) for clearing the audit backlog for outstanding audit years, including some statutory deadlines, were dependent on completion of the 2020/21 audit.

In response to Members queries regarding Grant Thornton's position going forward and ensuring another backlog was avoided, the Key Audit Partner advised a number of factors were in place, including recommendations from DLUHC and the Chartered Institute of Public Finance and Accountancy (CIPFA), to help strengthen the audit teams.

RESOLVED: That the report be noted.

16 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Head of Audit Partnership presented the Quarterly Internal Update report. The report included a summary of the work completed by the East Kent Audit Partnership since the last meeting of the Governance Committee. There had been five internal assignments completed during the period and four follow-up reviews. An update was provided to the number of chargeable days delivered which was 47% against the target of 42% as of 31 August 2023.

Members expressed their concern towards the No / Reasonable Assurance for Contract Management of Waste Management and Street Cleansing, and in particular the lack of Risk Assessment or Risk Register in place covering the Waste and Collection and Street Cleansing functions. Members requested sight of the Action Plan and were assured by the Head of Audit Partnership that the Action Plan contained a number of recommendations that had either been accepted or rejected by management. Following normal process, a progress report would be brought back to the Committee at a future date and depending on progress, a verbal update would be provided at the next meeting. It was explained that the Action Plan included dates for anticipated completion, in this case as the due dates were September and / or December and the follow-up review was therefore scheduled for Quarter Three. There was always a balance to be made in being challenging and realistic with setting the implementation dates, for the points raised in the Action Plan. Undertaking the Progress Report work too soon, often did not give sufficient time for management to act / or would not allow for any control improvements to have embedded to permit independent testing to be meaningful.

RESOLVED: That the update report be noted.

17 REQUEST FOR DISPENSATIONS UNDER THE CODE OF CONDUCT

The Principal Planning Solicitor presented the Request for Dispensations report to the Committee for consideration. Following meetings of the Cabinet and Overview and Scrutiny Committee in September 2023 it became apparent that Members who were DDC garden waste subscribers would have an Other Significant Interest (OSI) at any meeting where the Garden Waste Containerisation Project would be discussed and would not be permissible to participate in the discussion nor any decisions. As a result, five Members who were current subscribers to the garden waste collection scheme sought to request the Council grant a dispensation under Paragraph 8 of the Kent Model Code of Conduct for Members from 28 September 2023 until 22 May 2024.

Members were asked to note typographical corrections at paragraph 2.5 (b) whereby 'Without' should be inserted at the beginning of the sentence and, at paragraph 4.4 the reference to sub-paragraphs (a), (c) and (d) not (b) of paragraph 8(2) of the Code of Conduct.

Following discussions, it was moved by Councillor M Bates and duly seconded that to allow a full and proper debate it was essential to include the existing users of the service in the discussions and that dispensation should be granted pursuant to S33(2) of the Localism Act 2011 and Paragraph 8(c) of the adopted Code of Conduct.

In respect of Councillor M Bates' request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor M Bates be REFUSED dispensation for the above.

In respect of Councillor C A Vinson's request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor C A Vinson be REFUSED dispensation for the above.

In respect of Councillor H M Williams' request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor H M Williams be REFUSED dispensation for the above.

In respect of Councillor L M Wright's request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor L M Wright be REFUSED dispensation for the above.

In respect of Councillor D R Friend's request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor D R Friend be REFUSED dispensation for the above.

18 2022/23 ANNUAL GOVERNANCE ASSURANCE STATEMENT

The Strategic Director (Corporate and Regulatory) presented the 2022/23 Annual Governance Assurance Statement (AGAS) to the Committee. The Council was required to review the effectiveness of its system of internal control and to report on the extent to which it complied with its own Local Code of Corporate Governance. The AGAS had continued to be produced on an annual basis and had not been impacted by the audit backlog issues and delays with audit completions. Members' attention was drawn to the significant governance changes during the year as set

out in the report, including the permanent introduction of broadcasting meetings of the Executive, Council and Committees and improvements during the year which included a revision of the Council's Contract Standing Orders and the approval of a revised Petition Scheme.

RESOLVED: That the Governance Committee accept the Annual Governance Assurance Statement.

19 CORPORATE GOVERNANCE LOCAL CODE REVIEW

The Head of Corporate Services and Democracy presented the Corporate Governance Local Code review. A number of changes to post titles was required to reflect changes to the organisation to bring the Code in line with the current organisational structure of the Council. In addition, whilst there were no other changes, it was noted that the Code also contained the Council's Risk Management Strategy which was currently under review and an updated Strategy would be submitted to a meeting of the Governance Committee later in the municipal year.

RESOLVED: That the Governance Committee recommends to the Council that the revised Corporate Governance Local Code be adopted.

The meeting ended at 8.13 pm.

Subject:	RISK MANAGEMENT STRATEGY
Meeting and Date:	Governance Committee – 7 December 2023 Cabinet – 15 January 2024 Council – 31 January 2024
Report of:	Head of Corporate Services & Democracy
Portfolio Holder:	Councillor S H Beer, Portfolio Holder for Finance, Governance, Climate Change and Environment
Decision Type:	Non-Key
Classification:	UNRESTRICTED

Purpose of the report: To seek agreement to the proposed new Risk Management Strategy.

Recommendation:

Governance Committee: *To recommend to Council that the new Risk Management Strategy and accompanying tool kit be adopted.*

Cabinet: *To recommend to Council that the new Risk Management Strategy and accompanying tool kit be adopted.*

Council: *That the Council adopt the new Risk Management Strategy and accompanying tool kit.*
That the Risk Management Strategy be incorporated into the Local Code of Corporate Governance.

1. Summary

1.1 The Council’s Corporate Risk Strategy and the Risk Register have not undergone a detailed review since 2016/17. In August 2022, the opportunity arose for the Council to have Zurich Resilience Solutions (ZRS) undertake a Risk Management Desktop Review of the Council’s Corporate Risk Strategy and Risk Register and this work identified several areas for review in the current adopted Risk Management Framework. The revised Risk Management Strategy seeks to address those concerns.

2. Introduction and Background

2.1 The ZRS Desktop Review concluded that the existing Corporate Risk Management Strategy, while containing the key elements that they expected to see, had a number of areas for improvement. These were in summary that:

- It lacked depth and definition.
- That it needed review after five years.
- There were inconsistencies in vocabulary.
- There were questions over the suitability of the three-point scale risk matrix in the existing strategy. The report recommended that moving to a four-point scale

would allow for greater distinction and clearer prioritisation of risks. In a subsequent meeting with ZRS following production of the Desktop Review it was suggested that the Council should consider at least a four-point scale. The benefits of a five-point scale were discussed.

- In respect of the Risk Register, the review highlighted concerns that there was an inconsistent risk score across the inherent and residual assessments which made it difficult to assess the direction of travel for a risk.
- That risk descriptions were inconsistent, and the lack of a defined structure limited how useful the information was. It was suggested that the Council adopt a defined structure to assist risk owners in properly defining risks.

2.2 The Desktop Review made the following recommendations:

- That consideration be given to replacing the three-point risk matrix to allow for better distinction between risk levels.
- That enhanced descriptions be developed for the Risk Methodology segment to make the process clearer and define how each step is conducted and by whom.
- Provide further clarity on how and when risk identification exercises or discussions should be conducted.
- Define and communicate what information must be included in risk descriptions. It would improve clarity of the risk itself as well as what was at risk if the risk category or related objective was listed.
- Consider integrating risk management in the performance management framework to better integrate risk thinking and principles.
- That climate change had not been adequately addressed in the current Risk Register.

2.3 In light of these comments, colleagues in the Kent Risk Network were consulted on their models of corporate risk management and examples of best practice elsewhere were sought.

2.4 Additionally, as part of the process of review, the East Kent Audit Partnership were asked to provide feedback on the initial draft of the Strategy and these comments were integrated into the final document.

Intended Audience for the Risk Management Strategy

2.5 The Risk Management Strategy will form part of the Council's overall Local Code of Corporate Governance.

2.6 The document is predominantly for internal use by officers to report risks to Corporate Management Team and Members. As such it is acknowledged that it is written as a technical document and were it to be a document intended to be used by the public then it would be written differently. However, the emphasis has been on producing a thorough and robust document that will assist officers in capturing, describing and (where practicable and possible) mitigating risks. Additionally, officers will have access to the Corporate Services team to assist them if required with completing the risk assessment. However, it is not envisaged to be an onerous process but rather a rigorous one providing challenge where it is necessary to do so.

2.7 It should be noted that testing on the accessibility for the proposed new Risk Management Strategy has found that it is an improvement when compared to the current version of the Risk Management Strategy.

2.8 However, it is recognised that the public should be able to see the risks facing the Council in an accessible way and this will be done through a redesigned Risk Register that will include an ‘at-a-glance’ style summary sheet.

Proposed Changes in the Risk Management Strategy

2.9 The key differences between the current Risk Management Strategy and the proposed Risk Management Strategy are as follows:

Current	Proposed
Three Point Risk Matrix (3 x 3)	Five Point Risk Matrix (5 x 5)
Inconsistencies in vocabulary	Definitions of Terms Used
Five Stage Risk Management Process <ul style="list-style-type: none"> • Identification • Analysis • Evaluation • Mitigation and Control • Monitoring 	Six Stage Risk Management Process <ul style="list-style-type: none"> • Establish Objectives • Identify Risks • Analyse & Evaluate • Mitigate and Manage • Record and Report • Monitor and Update
Impact Categories (10) <ul style="list-style-type: none"> • Communication and publicity • Corporate governance • Efficiency and savings • Financial/fundings • Health and safety • IT • Project aims • Personnel resourcing • Service delivery • Statutory responsibilities 	Impact Categories (8) <ul style="list-style-type: none"> • Environmental • Financial • Health and Safety • Legal & Regulatory • Partner Relationship • Reputational • Service Delivery • Community Impact
High, Medium and Low Risk Score	Numerical 1 – 25 Risk Score
Quarterly Reporting of Risk Register to CMT	Quarterly Reporting of Risk Register to Corporate Management Team (CMT) Monthly (or other timeframe agreed by CMT) for red risk scores
Annual Report to Governance Committee Quarterly Performance Report	Annual Report to Governance Committee Quarterly reporting to Governance Committee on changes to Risk Register for previous quarter Key risks in Quarterly Performance Report

- 2.10 The Risk Management Strategy once adopted will form part of the Corporate Governance Local Code.
- 2.11 The proposed Risk Management Strategy is accompanied by a toolkit that takes the risk owner through the steps needed to complete the Risk Register and provides an example of a risk for reference.
- 3. Rollout of New Corporate Risk Management Strategy**
- 3.1 Once the necessary governance decision route has been completed, Corporate Services will work with every current risk owner to support the conversion of current Risk Register entries to the new format. In addition, Corporate Services will be available, as they are now, to assist any risk owners with new risks to be entered on the Risk Register.
- 3.2 An 'at-a-glance' summary of all the risks on the Risk Register would be produced to accompany the individual risk register entries when submitted to Corporate Management Team and Governance Committee.
- 4. Identification of Options**
- 4.1 Option 1 – For Council to adopt the new Risk Management Strategy.
- 4.2 Option 2 – For Council to adopt an amended Risk Management Strategy.
- 4.3 Option 3 – For Council to maintain the current Risk Management Strategy.
- 5. Evaluation of Options**
- 5.1 Option 1 - This is the preferred option as it enables the Council to update its Risk Management Strategy in line with best practice and resolve the issues raised in the desktop review.
- 5.2 Option 2 – This is not the preferred option. If anything other than minor textual amendments are made then it is suggested that officers be requested to bring back a revised report to a future meeting of the Governance Committee.
- 5.3 Option 3 – This is not the preferred option as it would not address the concerns raised in the Desktop Review.
- 6. Resource Implications**
- 6.1 It is intended that the new Corporate Risk Management Strategy and Risk Register would be managed within existing resources in Corporate Services.
- 6.2 It is not expected to take a risk owner significantly more time to complete the risk register entry, but it is intended to ensure that all aspects of potential risk have been considered.
- 7. Climate Change and Environmental Implications**
- 7.1 There are no direct climate change and environmental implications arising from this report. However, the addition of a dedicated environmental risk impact category does enable risks to consider climate change and environmental implications.
- 8. Corporate Implications**
- 8.1 Comment from the Director of Finance (linked to the MTFP): The Head of Finance & Investment has been consulted on this report and has no further comments to add.
- 8.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

8.3 Comment from the Equalities Officer: This report recommending the adoption of the new Risk Management Strategy does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/section/149>

9. **Appendices**

Appendix 1 – Risk Management Strategy Toolkit

Appendix 2 – Risk Management Strategy

10. **Background Papers**

Local Code of Corporate Governance

Contact Officer: Rebecca Brough, Head of Corporate Services and Democracy

DDC CORPORATE RISK TOOLKIT

Corporate Services

December 2023

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Introduction

This Risk Toolkit is intended as a reference document to be used with the Corporate Risk Management Strategy and contains a step-by-step summary for evaluating and recording risks or opportunities for inclusion in the Corporate Risk Register.

At the end of this toolkit is a form to complete. A copy of this form will be provided on the intranet and is also available from Corporate Services on request.

If you have any questions during the completion of your Risk Register entry, please contact Keeley McEvelly in Corporate Services.

The completed Risk Register form should be sent to Keeley McEvelly in Corporate Services for inclusion in the Risk Register.

In order to assist you in completing your risk register entry, the example of a Corporate Complaints Risk Assessment is used to guide you through the process.

Risk Management Process

This toolkit will set out each of the six stages of the Corporate Risk Management Process and refer you to the relevant pages in the Strategy. Please ensure that you read the relevant sections of the Strategy in completing your assessment of the risk.

The Council's Risk Management Process is a six-stage approach as follows:



STEP 1: ESTABLISH OBJECTIVES

Please read page 14 of the Corporate Risk Management Strategy before completing this section.

The risk owner will need to consider the following points to establish the objectives:

- What are you seeking to achieve?
- When are you seeking to achieve it? And...
- Who is responsible for achieving it?

This list while not exhaustive sets out the key points you need to consider when establishing your objectives.

This includes understanding what the Council wants to achieve and the resources it has available – in both capacity and capability – to deliver. For reference, the Council has set out its corporate objectives in the Corporate Plan.

Clarifying objectives will allow a greater understanding of what will stop the achievement of those objectives and what opportunities need to be grasped to meet the objective. Setting objectives clearly will also reveal links to internal and external stakeholders that will need to be relied upon as well as other external factors that will impact objectives.

Example – Corporate Complaints Process

Q. What are you seeking to achieve?

A. An efficient and effective complaints process that complies with statutory requirements and codes.

Q. When are you seeking to achieve it?

A. This is an on-going matter.

Q. Who is responsible for achieving it?

A. Head of Corporate Services and Democracy

STEP 2: IDENTIFY RISKS

Please read pages 14 - 16 of the Corporate Risk Management Strategy before completing this section.

The risks identified must be described in clear terms that can easily be understood and must specify what the tangible risk is. The description of the risk should help determine how the risk will be managed and treated.

To identify potential risks, the risk owner may need to:

- Undertake a risk assessment exercise.
- Research and consider the risks that have affected others. This can also involve keeping up to date with new local, national, and international policies, legislation, and events.
- Measuring current and historical performance and identifying weaknesses.
- Review relevant reports about Council services including those issued by internal and external auditors.

In identifying risks, consideration needs to be given to both internal and external risks.

- Internal risks are those faced by the Council from within the organisation. They arise from routine day-to-day activities such as managing staff, safeguarding, health and safety, financial challenges, legal risks, operating IT systems, etc.
- External risks are those that arise from outside the Council but may still have an adverse impact on its activities. For example, the failure of a partner organisation, a major cyber-attack, extreme weather conditions or adverse national economic conditions. External risks are harder to manage as the Council has less control over whether they occur.

Risks should be described in a couple of sentences, explaining the risk through Cause, Event and Effect.

In instances where there are multiple risks attached to an objective, they should be described individually.

Example – Corporate Complaints Process

The issue:

The failure to maintain effective Corporate Governance arrangements for complaints due to management or resourcing issues, (e.g., poor record keeping; failure to adequately investigate complaints, insufficient staffing or failure to meet procedural or Ombudsman deadlines) could lead to a risk of increased findings of maladministration or injustice from the Ombudsman resulting in reputational damage, failure to address performance issues and increased costs through awards of compensation by the Council or the Ombudsman.

STEP 3: ANALYSE AND EVALUATE

Please read pages 16 - 21 of the Corporate Risk Management Strategy before completing this section.

The aim of risk analysis is to build an understanding of the nature of risk and its characteristics including, wherever possible, the level of risk. It involves consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls, and their effectiveness.

Risk Analysis considers factors such as:

- the likelihood of events and consequences occurring
- the type and scale of consequences
- time-related factors
- the effectiveness of existing controls
- sensitivity and confidence levels

As part of the risk analysis, an assessment will be undertaken of the (a) likelihood of the risk occurring and (b) the impact of the risk should it occur.

The eight areas of risk to be considered (the risk categories also known as the risk taxonomy) are as follows:

- Environmental
- Financial
- Health & Safety
- Legal & Regulatory (including information management and security)
- Partner Relationship
- Reputational
- Service Delivery
- Community Impact

The probability of the risk occurring is considered as one of five levels:

- Rare (least likely)
- Unlikely
- Possible
- Likely
- Very Likely (most likely)

The impact of the risk should it occur is considered as one of five levels:

- Minimal (lowest impact)
- Minor
- Moderate
- Major
- Critical (highest impact)

The tables to be used in conducting this assessment can be found on pages 18 – 20 of the Corporate Risk Management Strategy.

Example – Corporate Complaints Process

Using the tables on pages 18 – 20 of the Strategy each of the eight categories will need to be scored against the impact of the risk and the probability of the risk occurring.

Each risk is scored between 1 and 5.

The result of the assessment will be a score between 1 (lowest risk) and 25 (highest risk) for each of the eight areas, with the highest individual score from the eight areas of risk being the score assigned to the overall risk. This will give the 'Inherent Risk Score' – the current level of risk faced by the Council. A higher numerical score indicates a higher level of risk.

PROBABILITY x IMPACT = INHERENT RISK SCORE

Risk Category	Impact	Multiply	Probability	Total
Environmental	1	x	1	1
Financial	2	x	2	4
Health & Safety	1	x	1	1
Legal & Regulatory	3	x	2	6
Partner Relationship	1	x	1	1
Reputational	3	x	3	9
Service Delivery	3	x	2	6
Community Impact	3	x	2	6

The highest number is what will be known as the Inherent Risk Score. In the case of this example, which would be the reputational category with a score of 9.

STEP 4: MITIGATE AND MANAGE

Please read pages 22 - 25 of the Corporate Risk Management Strategy before completing this section.

Having identified the level of 'Inherent Risk' involved, the risk owner must next consider what mitigation measures are available to reduce the risk to a level that the Council is willing to accept in pursuit of its goals. This does not necessarily mean that the risk in each area will be managed and mitigated down to zero risk. The level of tolerable risk will depend on the Council's level of risk appetite.

Identifying and ranking risks is important, but the key element thereafter is to determine the strategy for managing them and determining the amount of risk that the Council is willing to take.

Having identified the required actions needed to Tolerate, Treat, Transfer or Terminate the risk, a new scoring will need to be completed. The outcome of this will be the Residual Risk Score.

Example – Corporate Complaints Process

In this example, the level of acceptable risk is considered to be 'Averse' as the risks relates to legal and regulatory and therefore wherever possible steps have been taken to Treat the risk (see Page 23 of the Strategy).

The Inherent Risk Score of 9 meant that the highest risk falls into the Tolerate/Accept or Treat category. There were three other scores also in that range of 5 – 9.

5 – 9 Legal Reputational Service Delivery Community Impact	A risk at this level may be acceptable. Efforts should still be made to reduce the risk, provided this is not disproportionate. If not acceptable depending on the Council's level of risk appetite. Existing controls should be monitored or adjusted.	Tolerate/Accept or Treat (Control)
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Excluding those risks that had a score of 1, there was an additional risk that scored a 4.

2 – 4 Financial	An acceptable risk in most situations. If opportunities arise to mitigate the risk further, they should be considered. However, further action or additional controls may not be required. Risk at this level should be monitored and reassessed at appropriate intervals.	Tolerate/Accept or Treat (Control)
--------------------------------------	--	------------------------------------

The actions considered for the risks associated with the Corporate Complaints Process are as follows:

- Recognise that despite best efforts some complaints will progress through the DDC complaints process and be appealed to the Ombudsman. In such cases, the complainant must be provided with the Ombudsman’s details at the relevant stages of the process. (TOLERATE/TREAT)
- Ensure that where complaints result in findings against the Council that the knowledge is disseminated to the right officers and lessons are learnt. (TREAT)
- Training on the corporate complaint’s procedures to ensure managers effectively deal with Stage 1 complaints and, where possible, resolve the matter effectively. (TREAT)
- Publicising good practice within the Council. This includes providing examples of relevant Ombudsman decisions relating to the Council or other local authorities to raise awareness of good and bad practices. (TREAT)
- Cross-training members of Corporate Services to ensure resilience to support the corporate complaints process framework and particularly ensuring that Stage 2 complaints are dealt with effectively. (TREAT)
- Introduction of a new in-house IT solution for the corporate complaints system to assist in managing complaints, ensuring the deadlines are met and enable performance monitoring. (TREAT)

The reassessment and scoring of the risk following these actions is as follows:

PROBABILITY x IMPACT = RESIDUAL RISK SCORE

Risk Category	Impact	Multiply	Probability	Total
Environmental	1	x	1	1
Financial	2	x	2	4
Health & Safety	1	x	1	1
Legal & Regulatory	3	x	2	6
Partner Relationship	1	x	1	1
Reputational	3	x	2	6
Service Delivery	3	x	2	6
Community Impact	3	x	2	6

This is based on the proposed actions reducing the probability of reputational damage. The impact itself remains unchanged in this example.

The Residual Risk Score is the level of risk remaining after actions to mitigate it have been taken.

STEP 5: RECORD AND REPORT

Please read pages 25 - 26 of the Corporate Risk Management Strategy before completing this section.

Once you have completed the form at the end of this toolkit, you will need to undertake the following steps:

Reporting to Corporate Services

A copy of the completed form which will form the basis for the Risk Register entry should be sent to Corporate Services (corporateservices@dover.gov.uk)

Reporting the Risk - Projects

The risk management arrangements for projects will need to be considered on a case-by-case basis when each project is developed. This will be dependent upon the nature of the project, its scale, objectives and most importantly the risk it represents to the Council. It is likely that for many projects the risks will change frequently and require the Council to respond accordingly through regular reporting to the appropriate management level.

The reporting arrangements for projects will be recommended by the relevant Head of Service and Strategic Director and agreed by the Corporate Management Team. This should not be any less frequent than quarterly.

Reporting to Corporate Management Team

The Corporate Risk Register will be reviewed and reported quarterly to the Corporate Management Team.

Where there is a residual risk of 15 or greater (usually considered an unacceptable level of risk) the risk should be reported monthly to Corporate Management Team or at intervals as determined by the Corporate Management Team.

Dover District Council has always promoted a culture of accessibility to its Corporate Management Team. If a risk owner feels that they need to escalate the reporting of their risk, they should speak to their Head of Service and/or Strategic Director about adding the matter to the Corporate Management Team agenda.

Reporting to Councillors

Those risks with a Residual Risk Score of 10 or greater will be reported in summary form in the quarterly Strategic Dashboard considered by Cabinet and the Overview and Scrutiny Committee.

The Governance Committee will consider the complete Corporate Risk Register on an annual basis and will receive quarterly updates on changes (risks added to the register, risks removed from the register, changed risks) to the Corporate Risk Register in that quarter.

STEP 6: MONITOR AND UPDATE

Please read pages 26 - 27 of the Corporate Risk Management Strategy before completing this section.

The completion of the Risk Register entry is not the end of the process.

You will receive an email from Corporate Services on a quarterly basis asking you to review your Risk Register entry and amend, as necessary. However, if changes are required to the Risk Register entry you should not wait for the quarterly reminder and should contact Corporate Services with an update to the risk as soon as practicable to do so.

If the residual risk score is 15 or greater of an amended risk register entry, then the risk should be reported to the next meeting of the Corporate Management Team regardless of where it falls within the quarterly reporting cycle. Please speak with your Head of Service or Strategic Director about adding the matter to the Corporate Management Team agenda.

Risk Title:	Corporate Complaints Example								
Risk Owner:	Head of Corporate Services and Democracy				Date Risk Created:	27/10/23			
Describe the Risk:	The failure to maintain effective Corporate Governance arrangements for complaints due to management or resourcing issues, (e.g., poor record keeping; failure to resolve issues, insufficient staffing or failure to meet procedural deadlines) could lead to a risk of increased findings of maladministration from the Ombudsman resulting in reputational damage, failure to address performance issues and increased costs through awards of compensation by the Council or the Ombudsman.								
	INHERENT RISK SCORE				9	RESIDUAL RISK SCORE			6
Risk Score	Risk Category	Impact	Probability	Total	Risk Category	Impact	Probability	Total	
	Environmental	1	1	1	Environmental	1	1	1	
	Financial	2	2	4	Financial	2	2	4	
	Health & Safety	1	1	1	Health & Safety	1	1	1	
	Legal & Regulatory	3	2	6	Legal & Regulatory	3	2	6	
	Partner Relationship	1	1	1	Partner Relationship	1	1	1	
	Reputational	3	3	9	Reputational	3	2	6	
	Service Delivery	3	2	6	Service Delivery	3	2	6	
	Community Impact	3	2	6	Community Impact	3	2	6	
What are we doing to control (mitigate) the risk?	<ul style="list-style-type: none"> • Training on the corporate complaint's procedures to ensure managers effectively deal with Stage 1 complaints. • Publicising good practice within the Council and relevant Ombudsman decisions relating to other local authorities. • Cross-training members of Corporate Services to ensure resilience to support the corporate complaints process framework and particularly ensuring that Stage 2 complaints are dealt with effectively. • Introduction of new corporate complaints system to assist in managing complaints. 								
Additional Comments or Updates									
Reviewed by:					Date:				



CORPORATE RISK MANAGEMENT STRATEGY

CORPORATE SERVICES

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INTRODUCTION

The Corporate Management Team and Councillors of Dover District Council are committed to effective risk and opportunity management as part of everyday service delivery and decision-making. Risk management is an integral and vital part of good governance and corporate management. This includes fostering a culture where integrity, objectivity, accountability, and transparency is embraced by Members and Officers alike in the identification, assessment and management of risks and where constructive challenge, collaboration and consultation are championed.

The Council's risk management framework harnesses the activities that identify and manage uncertainty. It allows the Council to identify, evaluate and manage risks, not simply avoid them, and provides a framework to anticipate and prepare for successful outcomes. It is a key element of the framework of governance.

Accordingly, the Council is not averse to taking a degree of calculated risk, but it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements. The Financial and Contract Procedure Rules are particularly important in ensuring that the Council does not expose itself to financial risks above an acceptable level.

“In successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. If we are serious about meeting objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision-making.”

The Orange Book - Management of Risk – Principles and Concepts, HM Government, 2020

DEFINITIONS

What is Risk?

Risk is commonly held to mean a 'danger' or 'threat' and is something to be avoided. While there is an element of this in every 'risk' there is equally a potential 'opportunity' to be seized if successfully managed.

Maintaining and improving public services requires innovation and a willingness to seize new opportunities and manage the risks involved. In this context risk is more appropriately considered as an uncertainty of outcome, whether positive opportunity or negative threat of actions and events. It is the combination of likelihood and impact.

What is Risk Management?

Risk Management is the culture, processes and structures that are directed towards effective management of potential threats, and potential opportunities, to the Council achieving its objectives.

This strategy is intended to reaffirm and improve effective Risk Management within the Council by building on the existing foundation of good practice, ensuring comply with best practice and, in doing so, effectively managing potential opportunities and threats to the Council and its corporate priorities.

What is the Corporate Plan?

The Corporate Plan is a document that sets out the Council's future priorities and objectives. It provides a focus for the Council to work to and a framework for evaluating the Council's performance. Elements of the priorities in the Corporate Plan are likely to feature in the Corporate Risk Register.

What are Business Plans?

The individual sections of the Council will have business plans that set out how that section will deliver on its key corporate priorities, the risks that may prevent it from doing so, and the performance indicators that will measure success. The priorities in the business plan will reflect those in the Council's Corporate Plan.

What is the Risk Register?

This risk register records the risks and opportunities that may affect the delivery of the Corporate Plan. It will contain details such as the risk category, a brief description of the risk, the likelihood of its occurrence and the impact it may have.

Types of Risk?

Risk is defined as anything that may have an impact on the Council's ability to achieve its objectives. The risks can be internal, external, corporate (also known as strategic) or those arising from major projects. Risk can be categorised for recording purposes under the following headings:

- Strategic (corporate)
- Operational (departmental)
- Partnership
- Project

What are Corporate (Strategic) Risks?

Strategic risks affect or are created by the Council's business strategy and strategic objectives. They can be defined as the uncertainties and untapped opportunities embedded in strategic intent and how well they are executed. As such, they are key matters for the Council's Corporate Management Team (CMT) and impinge on the whole organisation, rather than just an isolated department. Inclusion of a risk in the Strategic Risk Register indicates that it is one of a number of risks that the Council, both corporate and elected leadership, need to be aware of and ensure appropriate management arrangements are in place to manage and mitigate them.

What are Operational Risks?

Operational risk is defined as the risk of loss resulting from inadequate or failed processes, people, and systems or from external events. Operational risks are usually departmental based and should link to each area's service planning.

What is Partnership & Project Risks?

Dover District Council works with a range of partners to deliver services. It is important that those partners are brought into the risk management framework to ensure that risks to the Council are not overlooked. Risks are identified and addressed in formal partnership agreements and contracts as appropriate. The primary risks are:

- Financial – failure to understand the potential financial liabilities associated with partnership arrangements.
- Reputation – loss of public confidence.
- Contractual – contract requirements not delivered.
- Legal – failure to understand the potential legal liabilities associated with partnership arrangements.
- Service failure – the associated risk of increased costs.

Dover District Council will also have a number of major projects that require risk management. These projects will have inherent risks and opportunities. Where the project poses a significant risk or is of strategic importance to the delivery of the Corporate Plan an overall risk should be identified within the corporate risk register. The project itself should have a project risk register that is managed by the Project lead/ Project Sponsor. The project risk register will typically be compiled by holding workshops with the key stakeholders. The initial risk register will be signed off by the appropriate Project Board and then reported to them on an exceptional basis via the normal project highlight reports. These risks will also be considered by the Cabinet when making decisions related to the project.

Who are the Corporate Management Team?

The Council's Corporate Management Team consists of the Chief Executive and the Strategic Directors. These are the Strategic Director (Corporate and Regulatory), the Strategic Director (Environment and Place) and the Strategic Director (Finance and Housing).

What is Risk Appetite?

Risk Appetite is the amount of risk that the Council is willing to accept in pursuit of its objectives. It is in effect an organisation's willingness to engage in 'risk taking' and is closely linked to Risk Tolerance.

What is Risk Tolerance?

Risk Tolerance in essence sets the limits of risk taking that the Council will not exceed in pursuit of its objectives. It is about 'controlling risk' and is closely linked to Risk Appetite.

What are Categories of Risk?

The categories of risk, also known as the Risk Taxonomy, are a comprehensive, common and stable set of risk categories that are used within an organisation.

What is Risk Treatment?

The process of deciding how to manage a risk once it has been identified (transfer, tolerate, terminate, treat, or take).

What is the Corporate (Strategic) Risk Register?

The Corporate Risk Register will comprise the identified corporate and key project risks of the Council.

What is meant by the Risk Owner?

The risk owner is the officer responsible for recording, managing, mitigating, and monitoring the risk.

RISK MANAGEMENT OBJECTIVES

Dover District Council acknowledges that it is exposed to a very wide range of risks and opportunities in its service delivery. The Council recognises that it has a responsibility to identify, evaluate and manage risk whilst still creating a positive climate for innovation.

The Council therefore supports a structured approach to negative risk (threats) and positive risk (opportunities) management through its Corporate Risk Management Strategy, the aims, and objectives of which are described below.

1. Adopt a strategic approach to risk management to enable Members and Officers to make well informed decisions and ensure that the Council's key corporate priorities are delivered.
2. Embed risk (and opportunity) management as an integral part of strategic, service, financial planning, project planning and policy making. It is a key and effective element of our corporate governance.
3. Establish a standard systematic approach to risk identification, analysis, control, monitoring and reviewing.
4. Provide a robust and transparent framework for managing risk and supporting decision-making.
5. Manage and mitigate project risks.
6. Support a culture of well measured risk taking throughout the Council including setting risk ownership and accountabilities but accept that even with good risk management and our best endeavours, things can go wrong. We will learn lessons where this happens.
7. Anticipate and prevent injury, damage and losses through effective risk management and reduce the cost of risk.
8. Ensure that the Council continues to meet all statutory requirements in relation to risk management.
9. Anticipate and respond to changing social, economic, political, environmental, legislative, and technological requirements.

BENEFITS OF GOOD RISK MANAGEMENT

The integration of risk, and opportunity, management into the corporate culture and working practices of the Council and its partnerships has numerous benefits, which include:

Improved Strategic Management

- Protecting and adding value to the Council and its stakeholders by supporting the achievement of the Council's vision and corporate priorities
- Improved delivery against the Council's corporate objectives and targets
- Improved decision making, planning and prioritisation through a comprehensive and structured understanding of activity and volatility.
- Mitigation of key threats and taking advantage of key opportunities.
- Protecting and enhancing assets and reputation.
- Promotion of innovation and change.
- Ensures the Council's approach is aligned to best practice.

Improved Operational Management

- Contributing to more efficient use of resources within the Council and its partners.
- Greater operational resilience by having plans in place to mitigate and respond to risks when they occur.
- Satisfying Corporate, Member and partner organisations expectations on the Council's internal controls.

Improved Financial Management

- Optimising operational efficiency and therefore delivering efficiency gains and value for money
- Reducing the chance of unexpected financial risks arising.

Improved Customer Service

- Improved customer service delivery.
- Reduced chance of service disruption to our residents.

Enhanced Corporate Governance

- Risk Management is essential to effective corporate governance. Key risks are included in the Annual Governance Assurance Statement which is published alongside the Statement of Accounts.

RISK MANAGEMENT APPROACH

The Council continues to embed the process and raise awareness of the importance of good risk management. The Council's Risk Management objectives will be achieved by:

- Assigning ownership and responsibility for each identified risk in the Council's Risk Register.
- Regularly reviewing and updating risks identified in the Council's Risk Register.
- Incorporating risk management considerations into all levels of business planning.
- Providing opportunities for shared learning on risk management across the Council.
- Integrate risk management into the culture of the Council as part of the everyday work.
- Monitoring of arrangements, at all levels, on an on-going basis by management.
- Provide training as necessary.

Risk management is an important part of the service planning process. This will enable strategic, operational, and cross cutting risks and opportunities, as well as the accumulation of risks and opportunities from a number of areas to be properly considered.

FRAMEWORK

The Council maintains the Strategic Risk Register of significant risks that impact the aims and objectives of the Council. These are risks, which can be both internal and external, will potentially hinder or stop successful achievement of corporate priorities and aims. These are generally but not exclusively of a medium to long-term nature.

Operational Risk are recorded by services in their Business Plans. These are risks affecting the day-to-day operation of a specific service or project.

Both registers detail the following:

- The nature of the risk and the potential consequences of the risk identified, both negative (risks and threats) and positive (opportunities).
- The potential impact and likelihood of the risk identified.
- The controls in place to mitigate the risks.

Daily operational risks will only become Strategic risks if there is a major failure in the internal control systems and processes are in place that will then escalate a problem organisation wide.

Risk ownership can be broadly broken down as follows:

- The Strategic Risk Register is owned by the Corporate Management Team.
- Business Plans (effectively operational risk registers) are maintained by the relevant Head of Service and Service Manager, reporting to their Strategic Director.
- Project Risk Registers are owned by the Project Manager and the Project Sponsor.

ROLES AND RESPONSIBILITIES

The Council will establish clear roles, responsibilities, and reporting lines within the Council for risk management. This will include:

- Corporate Management Team will review the Strategic Risk Register on a quarterly basis.
- Strategic Directors and Heads of Service will identify risks arising from and within partnerships and other joint working arrangements.
- Project managers will identify risks linked to their project's objectives and delivery.
- Members will be kept informed of Strategic and Project Risks.

Members

- The Governance Committee has specific responsibility included in its terms of reference for providing independent assurance on the adequacy of the control and risk management framework and the associated control environment.
- The Governance Committee also has responsibility for the independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.
- The quarterly Strategic Performance Dashboard will inform the Cabinet and the Overview and Scrutiny Committee of the key strategic risks. The Overview and Scrutiny Committee has responsibility for the independent scrutiny of the Council's financial and non-financial performance.

Corporate Management Team

- The Corporate Management Team is responsible for identifying key risks as part of their strategic responsibilities.
- The Head of Corporate Services and Democracy, in consultation with the Strategic Director (Corporate and Regulatory), will undertake an annual strategic risk review to be reported to the Governance Committee.
- The Strategic Director (Corporate and Regulatory), supported by the Head of Corporate Services and Democracy, has overall responsibility for ensuring the agreed level of risk management is undertaken.

Head of Service and Managers

- Heads of Service and Managers in conjunction with members of their teams and other parties/partners (where applicable), will review and monitor operational, project and strategic risks relating to their services.

All Staff

- Staff will be expected in the first instance, to refer risk management concerns to their line managers. Should such concerns remain outstanding, then employees can refer their concerns elsewhere as prescribed in the Council's Whistleblowing Policy.

Insurance

The Head of Corporate Services and Democracy will:

- Ensure that a regular review of the Council's insurance requirements and arrangements is conducted and arrange insurance cover as necessary.
- Annually review the adequacy of the Council's internal insurance provisions and advise the Strategic Director (Corporate and Regulatory) on action to be taken.
- The Corporate Services Team will advise Officers and Members on insurance cover available and/or in place and advise Officers on claims procedures, and process claims arising.
- The Corporate Services Team will assist in the development and provision of claims data to aid future risk control.

RISK MANAGEMENT PROCESS

Overview

Risk should not be considered solely as a threat but also as an opportunity. An effective approach to risk and opportunity management should assist the Council in achieving the best outcomes and meeting its corporate objectives.

The approach adopted to risk management by the Council has been developed with the following points in mind:

- Where possible risk management should complement the Council's existing corporate and governance management processes rather than creating parallel processes.
- Risk management needs to be flexible while adhering to key principles.
- The process should provide for a proportionate rigour in identifying and analysing risk but avoid becoming overly burdensome. It should minimise the use of jargon where possible or clearly define terms where it is not possible.
- Risks must be continually monitored and managed as they will change with time, as the situation changes and as we take measures to manage the risk.

Risk Management Process

The Council's Risk Management Process is a six-stage approach as follows:



1. ESTABLISH OBJECTIVES

The risk owner will need to consider the following points to establish the objectives:

- What are you seeking to achieve?
- When are you seeking to achieve it?
- Who is responsible for achieving it?

This includes understanding what the Council wants to achieve and the resources it has available – in both capacity and capability – to deliver. The Council has set out its corporate objectives in the Corporate Plan.

The aim is to ensure that risk management supports the objectives of the Council. This link between Council objectives, through departmental or service objectives supported by risk management practices is called the 'Golden Thread'. When everyone at the Council is pulling in the same direction, the Council will have a much greater chance of being able to achieve its objectives.

Clarifying objectives will allow a greater understanding of what will stop the achievement of those objectives and what opportunities need to be grasped to meet the objective. Setting objectives clearly will also reveal links to internal and external stakeholders that will need to be relied upon as well as other external factors that will impact objectives.

The starting point for the management of risks and opportunities should be the Corporate Plan, Business Plans, Project Plans and the objectives and strategies that underpin them.

Depending on the area under consideration, the relevant objectives and outcomes may already be detailed in existing documents.

2. IDENTIFY RISKS

The first step in identifying risks is to establish the context by looking at what it is the Council is trying to achieve and the proposed outcomes.

The risks identified must be described in clear terms that can easily be understood and must specify what the tangible risk is. The description of the risk should help determine how the risk will be managed and treated.

To identify potential risks, the risk owner may need to:

- Undertake a risk assessment exercise.
- Research and consider the risks that have affected others. This can also involve keeping up to date with new local, national, and international policies, legislation, and events.
- Measuring current and historical performance and identifying weaknesses.
- Review relevant reports about Council services including those issued by internal and external auditors.

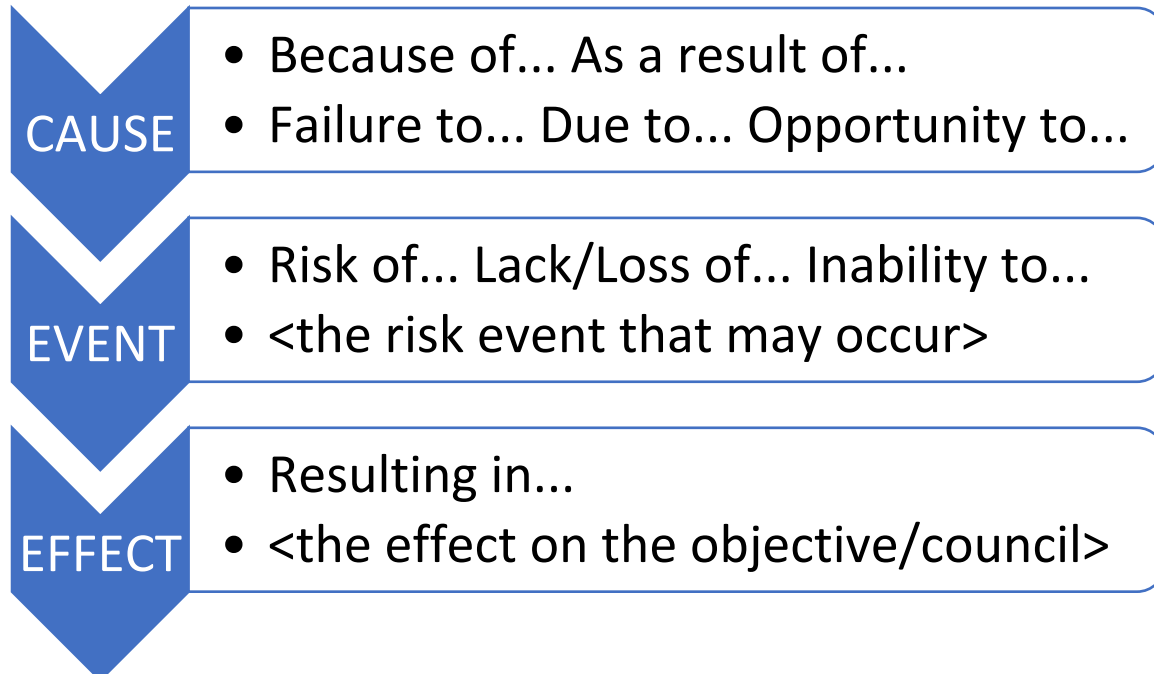
In identifying risks, consideration needs to be given to both internal and external risks.

- Internal risks are those faced by the Council from within the organisation. They arise from routine day-to-day activities such as managing staff, safeguarding, health and safety, financial challenges, legal risks, operating IT systems, etc.
- External risks are those that arise from outside the Council but may still have an adverse impact on its activities. For example, the failure of a partner organisation, a major cyber-attack, extreme weather conditions or adverse national economic conditions. External risks are harder to manage as the Council has less control over whether they occur.

Examples of Potential Categories of Risk/Opportunity

- | | | |
|-----------------------|--------------------------|--------------------|
| • Business continuity | • Information Management | • Reputational |
| • Climate change | • Legal & Regulatory | • Safeguarding |
| • Contractual | • Operational | • Security |
| • Economic | • Partnerships | • Service delivery |
| • Environmental | • Physical assets | • Social/Community |
| • Finance | • Political | • Staffing |
| • Fraud | • Projects | • Technology |
| • Health & Safety | | • Transformational |

Risks should generally be described in a couple of sentences, explaining the risk through Cause, Event and Effect. In instances where there are multiple risks attached to an objective, they should be described individually.



Two examples of this being applied to risks are as follows:

The **FAILURE TO** maintain effective Corporate Governance arrangements for complaints due to management issues, (e.g., poor record keeping; failure to resolve issues or meet procedural deadlines) could lead to a **RISK OF** findings of

maladministration from the Ombudsman **RESULTING IN** reputational damage and increased costs through awards of compensation from the Ombudsman.

The **OPPORTUNITY TO** increase the levels of inward investment as part of the growth agenda could be missed due to a **RISK OF** pressures on officer resourcing leading to being unable meet the deadlines for decisions **RESULTING IN** a failure to maintain the growth agenda along with the Council's financial base.

The risk description may include additional information if it is considered necessary to accurately describe the risk.

The intention is that this approach will generate a structured, comprehensive, and easy to understand list that is relevant to Corporate Management Team, Heads of Service, Managers and Members and all staff alike. These risks will reflect corporate objectives, business plans and associated projects.

3. ANALYSE AND EVALUATE

The aim of risk analysis is to build an understanding of the nature of risk and its characteristics including, wherever possible, the level of risk. It involves consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls, and their effectiveness.

Risk Analysis considers factors such as:

- the likelihood of events and consequences occurring
- the type and scale of consequences
- time-related factors
- the effectiveness of existing controls
- sensitivity and confidence levels

As part of the risk analysis, an assessment will be undertaken of the (a) likelihood of the risk occurring and (b) the impact of the risk should it occur.

The assessment will look at eight areas of risk and score each of them based on the likelihood and impact of each. **The assessment should only take into consideration any actions or measures which are already in place when the risk or opportunity is identified but not new mitigation measures specifically taken following the identification of the risk. Any new mitigation measures will be addressed with at the next stage of the process.**

The eight areas of risk to be considered and scored (the risk categories also known as the risk taxonomy) are as follows:

- Environmental
- Financial
- Health & Safety
- Legal & Regulatory (including information management and security)
- Partner Relationship
- Reputational
- Service Delivery
- Community Impact

The probability of the risk occurring is considered as one of five levels:

- Rare (least likely)
- Unlikely
- Possible
- Likely
- Very Likely (most likely)

The impact of the risk should it occur is considered as one of five levels:

- Minimal (lowest impact)
- Minor
- Moderate
- Major
- Critical (highest impact)

A guide to assessing each of these criteria is set out in the next three pages.

The result of the assessment will be a score between 1 (lowest risk) and 25 (highest risk) for each of the eight areas, with the highest individual score from the eight areas of risk being the score assigned to the overall risk. A higher numerical score indicates a higher level of risk. This will give the '**Inherent Risk Score**' – the current level of risk faced by the Council. The individual scores for the eight areas of risk and the Inherent Risk Score are recorded on the risk template as per the attached risk toolkit.

	SCORE	RISK LEVEL	ENVIRONMENTAL	FINANCIAL	HEALTH & SAFETY	LEGAL & REGULATORY
IMPACT	1	MINIMAL	Localised incident - would be dealt with immediately with no lasting detrimental effects	Financial impact manageable (and less than £10,000)	Minor Incident – no lost time First aid level injuries	Legal or Regulator action unlikely – breaches of procedures or non-reportable matter
	2	MINOR	Minor impact with short-term contamination or effect	Financial impact of between £10,000 - £49,999	Medical treatment required, potential short-term injury or sickness	Corporate complaint likely but Legal or Regulator action unlikely – may need self-reporting to a Regulator
	3	MODERATE	Short term public health or environmental incident (weeks)	Financial impact of between £50,000 - £249,999	Medical treatment required, long-term injuries or sickness	Legal or Regulator action possible - breaches of law punishable by fines
	4	MAJOR	Long term major public health or environmental incident (1 year or more)	Financial impact of between £250,000 - £500,000	Medical treatment required, significant permanent or long-term injury	Breaches of law punishable by imprisonment or significant fines
	5	CRITICAL	Permanent, major environmental or public health damage	Financial impact of over £500,000	Threat to Life	Potentially significant prosecution or fines

	SCORE	RISK LEVEL	PARTNER RELATIONSHIP	REPUTATIONAL	SERVICE DELIVERY	COMMUNITY IMPACT
IMPACT	1	MINIMAL	No impact to partnership relationships	Unlikely to cause adverse publicity	Service disruption up to 1 day	Minimal or no impact
	2	MINOR	Difficulty in aligning strategies with a partner to support objective	Local interest – minor adverse local or industry publicity	Marginal reduction in performance. Service disrupted or stopped for 1-2 days	Minor community impact or specific vulnerable group(s)
	3	MODERATE	Difficulty in aligning strategies with a partner to support collaborative working	Adverse national publicity or significant adverse local publicity	Unsatisfactory performance. Service disrupted or stopped for 2 - 3 days	Moderate impact on community or specific vulnerable group(s)
	4	MAJOR	Unable to reach an agreement with a partner leading to termination of a project and/or deterioration of working relationship	Significant adverse national publicity	Failure to deliver Council priorities. Disruption for 5 Days or more	Major impact on community or specific vulnerable group(s)
	5	CRITICAL	Unable to reach an agreement with a key partner leading to non-delivery of a key objective and/or relationship with a key partner severely damaged	Sustained negative national publicity	An on-going failure to provide an adequate service	A significant and on-going impact on community or specific vulnerable group(s)

	SCORE	RISK LEVEL	PROBABILITY	DESCRIPTION
PROBABILITY	1	Rare	0 – 10%	It may not apply or is highly unlikely to occur under normal circumstances but may in exceptional circumstances. For example, a 1 in 100 years event has a 1% chance of occurring each year.
	2	Unlikely	10 – 25%	Not expected to happen but there is a low possibility it may occur.
	3	Possible	25 – 50%	The event could occur in certain circumstances. It may have occurred elsewhere in similar organisations or previously at the Council.
	4	Likely	50 – 80%	The event will probably occur in most circumstances. However, it may not be a persistent issue.
	5	Very Likely	80 – 100%	This is very likely to occur in most circumstances, probably imminently and/or frequently. This includes frequent/Imminent near misses. There may be a history of very frequent occurrences (annually or more frequently) at the council or at similar or partner organisations.

RISK TABLE

Having identified the probability and impact of risk in a category, a 5 x 5 scoring matrix is used to carry out the overall assessment to ensure that the risks are rated in a consistent way.

PROBABILITY x IMPACT = RISK SCORE

PROBABILITY	Very Likely (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Rare (1)	1	2	3	4	5
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
	IMPACT					

4. MITIGATE AND MANAGE

Having identified the level of 'Inherent Risk' involved, the risk owner must next consider what mitigation measures can be taken to reduce the risk to a level that the Council is willing to accept in pursuit of its goals. This does not necessarily mean that the risk in each area will be managed and mitigated down to zero risk. The level of tolerable risk will depend on the Council's level of risk appetite.

Colour	Inherent Risk Score	Action	Risk Control (See below)
RED	15 - 25	Usually considered to be an unacceptable risk. An Immediate decision must be taken – in most circumstances this should be to mitigate and manage the risk and several control measures may be required. However, for some risks a decision to Tolerate the risk may be agreed by the Corporate Management Team.	All options should be considered. Treat, Transfer or Terminate. Tolerate (if agreed by the Corporate Management Team)
AMBER	10 - 14	Not normally an acceptable risk. Efforts must be made to reduce or remove the risk within a specified timescale. Determine the need for improved control measures.	Treat or Transfer.
YELLOW	5 - 9	A risk at this level may be acceptable. Efforts should still be made to reduce the risk, provided this is not disproportionate. If not acceptable depending on the Council's level of risk appetite. Existing controls should be monitored or adjusted.	Tolerate/Accept or Treat and Control
GREEN	2 - 4	An acceptable risk in most situations. If opportunities arise to mitigate the risk further, they should be considered. However, further action or additional controls may not be required. Risk at this level should be monitored and reassessed at appropriate intervals.	Tolerate/Accept or Treat and Control.
PALE GREEN	1	An acceptable risk. No further action or additional controls are normally required. Risk at this level should be monitored and reassessed at appropriate intervals.	Tolerate/Accept

Identifying and ranking risks is important, but the key element thereafter is to determine the strategy for managing them. The table provides guidance on the level of management intervention that is likely to be necessary or appropriate.

In re-assessing the risks, the risk owner should consider which of the eight risk factors drove the original assessment that resulted in the Inherent Risk Score. Was the impact most severe in financial terms? Or reputational terms? Consideration should be given to where action can be most efficiently taken to reduce the score of the risk, not forgetting that it is often preventative measures that limit the probability of a risk becoming an event that are the most effective.

In determining the potential management and mitigation measures consideration should be given to the level of risk appetite and the options for risk control.

Risk Appetite

The level of acceptable risk is known as 'risk appetite'. It is strategic and reflects the organisation's risk management philosophy, and in turn influences the organisation's culture and operating style. Risk appetite guides resource allocation and provides the governance framework necessary to effectively respond to and monitor risks.

The appetite for risk can be:

- **Averse** - Preference for safe business delivery options that have a low degree of inherent risk and only a potential for limited reward.

Risks affecting health and safety and legal and regulatory issues would normally be considered areas where the Council's appetite for risk is to be risk adverse.

- **Cautious** - Preference for safe delivery options that have a medium degree of residual risk and may only have limited potential for reward.

Risks affecting environmental and financial issues would normally be considered areas where the Council's appetite for risk is to be risk cautious.

- **Aware** - Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing a good level of reward.

- **Hungry** - Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established before final decisions are made. The Council recognises that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to each risk will apply.

The Council should always seek to minimise exposure to compliance, regulation/governance, safeguarding, and reputational risk, whilst accepting and encouraging a calculated degree of risk in other areas in pursuit of the Council's strategic objectives.

Risk Control

The Council has several options available to it in considering the controls that can be applied. Not all of these will be suitable actions depending on the level of risk and the category of risk involved.

TOLERATE This means accepting the likelihood and consequences of a risk occurring. This should only be considered as an option if the risk is within the risk appetite of the organisation, which is to say if it is rated PALE GREEN, GREEN, YELLOW.

AMBER risks would not normally be considered an acceptable risk to be tolerated. However, there may be specific circumstances where the Corporate Management Team deem it acceptable to do so on a case-by-case basis.

RED risks are beyond the risk tolerance of the organisation. All options should be considered to mitigate the risk. However, there may be exceptional circumstances, which must be agreed by the Corporate Management Team, where the risk will be tolerated.

For clarity, “tolerate” does not mean that no action should be taken. A tolerated risks must still be monitored, and contingency plans should be put in place, in case the risks occur. If opportunities to mitigate the risk further are available, they should always be considered.

The Council may decide to tolerate a risk/opportunity where for example:

- The risk opens up greater benefits.
- The risk is already effectively mitigated by controls, even if it is high risk.
- The risk cannot be mitigated cost-effectively (i.e., the cost of mitigating it would be greater than the cost of the risk materialising)

TREAT This is the most widely used approach. The purpose of treating a risk is to continue with the activity which gives rise to the risk, but to bring the risk to an acceptable level by taking action to control it through either containment actions (which lessen the likelihood or consequences of a risk and are applied before the risk materialises) or contingency actions (these are put into action after the risk has happened, reducing the impact, and must be pre-planned). Taking management action is the main difference between ‘treat’ and ‘tolerate’.

TRANSFER This means shifting the risk, in whole or part, to a third party. This option is particularly good for mitigating financial risks, or risks to assets. This could be achieved, by example, by seeking insurance to cap financial losses at a certain level or by seeking partners for a project and so sharing the risk.

TERMINATE Doing things differently and therefore removing the risk. This means stopping the activity which gives rise to the risk. This will not always be possible as the Council must deliver some specific services by law but will often be an option when considering a new project or opportunity.

RESIDUAL RISK SCORE

Once you have determined your appetite for risk and the controls that can be applied, you should again assess the eight areas of risk as you did at Stage 3 (Analyse and Evaluate) but

this time considering the mitigations you have put in place. The resulting highest individual score from the eight areas of risk is the score assigned as the overall '**Residual Risk Score**'. The scores for the reassessment of the eight areas of risk and the Residual Risk Score are recorded on the risk template as per the attached risk toolkit.

5. RECORD AND REPORT

The risk culture of the Council must embrace openness and clear communication, support transparency, welcome constructive challenge and promote collaboration, consultation, and co-operation.

An important part of this is to ensure that there are processes in place to enable the recording and reporting of risks as well as having a process to escalate a risk to the appropriate management level.

The Council's risk management framework should anticipate, recognise, and respond to changes and events in an appropriate and timely manner to ensure that the right information is given to the right people, at the right level, and at the right time.

The regular reporting of risk enhances the quality of organisational decision-making, informs prioritisation of activity, and strengthens organisational oversight.

The Good Practice Guide to Risk Reporting identifies the following benefits of regular risk reporting:

- Embedding a consistent understanding of principal and emerging risks, thereby reducing the uncertainty of outcomes within an organisation.
- Monitoring progress in achieving or maintaining tolerable or optimal risk appetite positions across an organisation.
- Enabling an organisation to understand the effectiveness of internal controls and take direct, timely and informed interventions as required.
- Integrating risk, planning, performance, and prioritisation discussions to enable informed consequence-based decisions.
- Providing assurance to stakeholders, including oversight bodies, that risks are understood and being effectively managed.
- Providing oversight of business activities, enabling a dynamic response to unplanned events threatening delivery of priorities and strategic objectives.

Recording the Risk – The Risk Toolkit

The Risk Toolkit accompanying the Corporate Risk Management Strategy contains a summary of the key points of this strategy and a form that needs to be completed to record the details of the Risk, the Inherent and Residual Risk Scores and mitigating/management measures. The completed form will summarise the risk in a common, easy to understand format.

The completed form must be submitted to Corporate Services for collation in the Corporate Risk Register.

Reporting the Risk - Projects

The risk management arrangements for projects will need to be considered on a case-by-case basis when each project is developed. This will be dependent upon the nature of the project, its scale, objectives and most importantly the risk it represents to the Council. It is likely that for many projects the risks will change frequently and require the Council to respond accordingly through regular reporting to the appropriate management level.

The reporting arrangements for projects will be recommended by the relevant Head of Service and Strategic Director and agreed by the Corporate Management Team. This should not be any less frequent than quarterly.

Reporting to Corporate Management Team

The Corporate Risk Register will be reviewed and reported quarterly to the Corporate Management Team.

Where there is a residual risk of 15 or greater (usually considered an unacceptable level of risk) the risk should be reported monthly to Corporate Management Team or at intervals as determined by the Corporate Management Team.

Dover District Council has always promoted a culture of accessibility to its Corporate Management Team. If a risk owner feels that they need to escalate the reporting of their risk, they should speak to their Head of Service and/or Strategic Director about adding the matter to the Corporate Management Team agenda.

Reporting to Councillors

Those risks with a Residual Risk Score of 10 or greater will be reported in summary form in the quarterly Strategic Dashboard considered by Cabinet and the Overview and Scrutiny Committee.

The Governance Committee will consider the complete Corporate Risk Register on an annual basis and will receive quarterly updates on changes to the Corporate Risk Register in that quarter.

6. MONITOR AND UPDATE

The Corporate Risk Register is a living document and therefore must be regularly reviewed and amended as required. The Corporate Risk Management Strategy requires that risks recorded on the Corporate Risk Register are reviewed a minimum of every quarter by the risk owner.

Risk Owners should consider the following matters when reviewing their risks:

- Is the risk still relevant?
- Is there any movement in the risk score?
- Are the controls still in place and operating effectively?
- Has anything occurred which might change its impact and/or likelihood?

- Have any significant control failures or weaknesses occurred since the last monitoring exercise? If so, does this indicate whether the risk is increasing or decreasing?
- If the risk is increasing, do I need to devise more controls or think of other ways of mitigating the risk?
- If the risk is decreasing, can I relax some existing controls?
- Are controls / actions built into appropriate documented action plans?
- Are there any new or emerging risks?
- Have any of the existing risks ceased to be an issue? (and can therefore be removed)
- Have potential opportunities been considered and maximised?

Where a new risk arises or changes between the quarterly updates, Corporate Services should be notified, and a new or updated entry submitted. If the residual risk score is 15 or greater of the new or amended risk, then the risk should be reported to the next meeting of the Corporate Management Team regardless of where it falls within the quarterly reporting cycle.

Subject:	ANNUAL COMPLAINTS REPORT 2022/23
Meeting and Date:	Governance Committee – 7 December 2023
Report of:	Head of Corporate Services and Democracy
Classification:	UNRESTRICTED

Purpose of the report: This report documents the number of complaints dealt with through the corporate complaints process for the financial year 2022/23.

Recommendation: That the report be noted.

1. Summary

This report highlights the number of complaints received for each service provided by the Council, for the financial year from 1 April 2022 to 31 March 2023 and indicates where the number has risen or decreased. It also details the number of complaints referred to the Local Government and Social Care Ombudsman and the Housing Ombudsman, with outcome, where received.

2. Introduction and Background

- 2.1 The Council has a two stage corporate complaints process. The first stage is for the relevant department to respond to the complaint. If the complainant remains dissatisfied, they can request a stage 2 review by Corporate Services. The report also details the numbers that have been referred to the Local Government & Social Care Ombudsman or Housing Ombudsman. This is an independent free service for the public if they are unhappy with the way in which a local authority (not a town or parish council) has dealt with an issue. The Ombudsman would normally require the matter to have been through the Council's complaints process first.
- 2.2 The Council is in the process of changing its computer system for handling complaints to an in-house solution that offers better integration with the Council's website. This should be in place by the end of 2023.
- 2.3 The Council approved an amended Complaints Policy in July 2023 reflecting changes to move the Policy in line with Housing Ombudsman guidance. A further revision to the Policy may be needed in 2024 to reflect a new joint code of complaint handling being proposed by both Ombudsmen.

Complaints 2022/23

- 2.4 The number of complaints for the financial years 2021/22 and 2022/23 have been compared, as detailed in Appendix 1. Overall, the number of complaints received has fallen from 281 in 2021/22 to 267 in 2022/23, a reduction of 14 complaints. However, whilst pleasing, it does not in itself tell the complete story given the impact of complaints from waste services in 2021/22. The Council has seen a rise in complaints relating to a number of services and as part of this report, we have extracted some of the key themes in respect of these areas. It is difficult to extract trends given the small sample size of complaints in many cases, but Heads of Services and managers are

encouraged to review all complaints for potential lessons that can be learnt. It should also be recognised that not all complaints relate to a fault on the part of the Council.

Council Tax

- 2.5 The number of complaints relating to Council Tax has increased by 19, from 22 in 2021/22 to 41 in 2022/23. The majority of which were challenging decisions and querying accounts and recovery action. It is considered that the increase is due to the hardship that many residents are facing.

Housing Options

- 2.6 Housing Options has seen an increase in complaints of 22, from 14 in 2021/22 to 36 in 2022/23. This has been due to staff shortages and the implementation of the new database which has impacted on staff resources causing delays to medical assessments and the processing of applicants' information. This is being addressed by the Head of Service.

Housing Repairs

- 2.7 Housing Repairs has seen an increase in complaints of 38, from 26 in 2021/22 to 64 in 2022/23. The majority of the complaints relate to the length of time taken to carry out work (some of which related to reports made to East Kent Housing). The service has been working with our contractors to ensure any works around historic complaints are prioritised and that any new complaints are completed in the shortest possible time. There were 10 complaints relating to damp and mould. This is thought to be as a result of reports highlighted in the media, but the Repairs Team set up a system whereby tenants could report mould and damp, and inspections were prioritised in order to deal with this issue. There was also a number of complaints relating to work carried out to void properties. The repairs team now have additional resources and are constantly reviewing the process to allow for a more robust post inspection regime to eliminate the need for any post void works.

Waste Services

- 2.8 The number of complaints received in respect of Waste Services decreased from 120 in 2021/22 to 12 in 2022/23, returning to what we would consider as normal for this service. This follows the problems encountered in 2021/22 with regard to the new waste contract.

Local Government and Social Care Ombudsman

- 2.9 The Local Government and Social Care Ombudsman received seventeen complaints in the 2022/23 financial against Dover District Council. Ten were closed after initial enquiries of the Council and five were referred to the Council for consideration through the Council's complaints process. Two complaints were upheld and these related to the Housing Options service. In the first case the Ombudsman found fault in the length of time taken to carry out medical assessments. The Council apologised to the applicant and steps were taken to manage applicants' expectations until such time as the response times improve. The Ombudsman found fault in the second case due to the length of time taken to offer an applicant suitable housing. The Council was ordered to make an apology and pay compensation for the time spent in unsuitable accommodation.

Housing Ombudsman

2.10 In the 2022/23 financial year the Council received one decision from the Housing Ombudsman relating to a complaint made to the District Council in the 2021/22 financial year. The case related to a decision by officers not to carry out a disabled adaptation. The decision was upheld by the Ombudsman and no finding was made against the Council.

3. Resource Implications

3.1 None.

4. Appendices

Appendix 1 – Summary of complaints received during 2021/22 and 2022/23

Appendix 2 – Number of Complaints per service, per quarter received during 2021/22 and 2022/23

Appendix 3 - Number of Stage 2 complaints per service, per quarter received during 2022/23

5. Background Papers

File C23/5 – Complaints

Contact Officer: Sue Carr, Corporate Services Officer

Summary of Total Complaints received during 2021/22 and 2022/23

Service	1 April 2021 to 31 March 2022 Resolved at:				1 April 2022 to 31 March 2023 Resolved at:				Increase/ Decrease
	Stage 1	Stage 2	Ombuds man	Total	Stage 1	Stage 2	Ombuds man	Total	
Benefits	4	0	1	5	6	1	0	7	+2
Building Control	0	1	0	1	0	0	0	0	-1
Community Services	0	1	0	1	0	0	0	0	-1
Council Tax & NNDR	13	7	2	22	37	3	1	41	+19
Corporate Services	0	0	0	0	1	0	0	1	+1
Customer Services	3	0	0	3	4	1	0	5	+2
Democratic Services	0	0	0	0	1	0	0	1	+1
Electoral Registration	0	0	0	0	1	1	0	2	+2
Environmental Health	0	1	0	1	1	0	0	1	0
Environmental Protection	3	0	0	3	0	1	0	1	-2
Finance	0	0	0	0	0	1	0	1	+1
Governance	0	1	0	1	1	0	0	1	0
Housing Services	14	3	1	18	15	6	1	22	+4
Housing Options	8	3	3	14	24	9	3	36	+22
Housing Repairs	23	2	1	26	46	18	0	64	+38
Housing Income	1	0	0	1	5	1	0	6	+5
Inward Investment	0	1	0	1	3	0	0	3	+2
Legal	1	0	0	1	0	0	0	0	-1
Licensing	1	4	0	5	2	0	0	2	-3
Parks & Open Spaces	2	3	0	5	3	2	0	5	0
Parking Services	1	2	0	3	7	1	0	8	+5
Private Sector Housing	4	1	0	5	1	2	0	3	-2
Planning	12	11	2	25	18	8	5	31	+6
Planning Enforcement	8	5	1	14	6	3	1	10	-4
Property Services	3	2	1	6	4	0	0	4	-2
Waste Services	108	10	2	120	8	4	0	12	-108
Total	209	58	14	281	194	62	11	267	-14

Number of Total Complaints per service, per quarter received during 2021/22 and 2022/23

Service	1 April 2021 to 31 March 2022					1 April 2022 to 31 October 2023				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Benefits	2	0	1	2	5	2	3	2	0	7
Building Control	0	0	1	0	1	0	0	0	0	0
Community Services	0	1	0	1	2	0	0	0	0	0
Council Tax & NNDR	9	8	2	3	22	14	15	7	5	41
Corporate Services	0	0	0	0	0	0	1	0	0	1
Customer Services	1	1	0	1	3	1	1	2	1	5
Democratic Services	0	0	0	0	0	0	0	0	1	1
Electoral Registration	0	0	0	0	0	1	1	0	2	4
Environmental Health	0	0	0	1	1	0	0	1	0	1
Environmental Protection	0	0	1	2	3	0	1	0	0	1
Finance	0	0	0	0	0	0	1	0	0	1
Governance	1	0	0	0	1	0	1	0	0	1
Housing Services	7	5	1	5	18	5	3	5	7	20
Housing Options	3	1	5	5	14	3	5	12	16	36
Housing Repairs	2	9	6	8	25	9	8	19	28	64
Housing Income	0	0	0	1	1	2	1	0	3	6
Inward Investment	0	0	0	1	1	0	2	1	0	3
Legal	0	0	0	1	1	0	0	0	0	0
Licensing	0	5	0	0	5	2	0	0	0	2
Parks & Open Spaces	1	3	1	0	5	1	1	2	1	5
Parking Services	0	2	0	1	3	1	3	2	2	8
Private Sector Housing	0	1	0	4	5	1	0	1	1	3
Planning	4	11	5	5	25	2	9	13	7	31
Planning Enforcement	7	6	0	1	14	0	1	5	4	10
Property Services	2	2	1	1	6	2	0	1	1	4
Waste Services	47	57	2	14	120	6	0	1	5	12
TOTAL	86	112	26	57	281	52	57	74	84	267

Number of Stage 2 Complaints by Service 2022/23

Service	1 April 2022 to 31 October 2023				
	Q1	Q2	Q3	Q4	TOTAL
Benefits	0	1	0	0	1
Building Control	0	0	0	0	0
Community Services	0	0	0	0	0
Council Tax & NNDR	0	2	1	0	3
Corporate Services	0	0	0	0	0
Customer Services	1	0	0	0	1
Democratic Services	0	0	0	0	0
Electoral Services	0	0	1	0	1
Environmental Health	0	0	0	0	0
Environmental Protection	0	1	1	0	2
Finance	0	0	1	0	1
Governance	0	0	0	0	0
Housing Services	1	3	1	2	7
Housing Options	4	0	0	4	8
Housing Repairs	2	3	6	8	19
Housing Income	0	0	0	1	1
Inward Investment	1	0	0	0	1
Legal	0	0	0	0	0
Licensing	0	0	0	0	0
Parks & Open Spaces	1	0	0	1	2
Parking Services	1	1	0	0	2
Private Sector Housing	1	0	1	0	2
Planning	3	1	5	1	10
Planning Enforcement	1	0	0	2	3
Property Services	0	1	0	0	1
Waste Services	3	1	1	0	5
TOTAL	19	14	18	19	70

Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 7th December 2023

Report of: Christine Parker – Head of Audit Partnership

Decision Type: Non-key

Classification: Unrestricted

Purpose of the report: This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 30th September 2023.

Recommendation: That Members note the update report.

1. Summary

This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting.

2. Introduction and Background

- 2.1 For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to each member of Corporate Management Team, as well as an appropriate manager for the service reviewed.
- 2.2 Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.
- 2.3 An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.
- 2.4 Those services with either Limited or No Assurance are monitored and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Annex 2 to the EKAP report.
- 2.5 The purpose of the Council's Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 2.6 To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

SUMMARY OF WORK

- 2.7 There have been six internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition seven follow-up reviews have been completed during the period, which are detailed in section 3 of the quarterly update report.
- 2.9 For the six months to 30th September 2023, 165.05 chargeable days were delivered against the target of 318, which equates to 51.9% plan completion.

3 Resource Implications

- 3.1 There are no additional financial implications arising directly from this report. The costs of the audit work will be met from the Financial Services 2023-24 revenue budgets.
- 3.2 The financial performance of the EKAP is currently on target at the present time.

Appendices

Appendix 1 – Internal Audit update report from the Head of the East Kent Audit Partnership.

Background Papers

- Internal Audit Annual Plan 2023-24 - Previously presented to and approved at the 16th March 2023 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP.

1. INTRODUCTION AND BACKGROUND

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 30th September 2023.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs *	
2.1	Local Code of Corporate Governance	Substantial	Critical High Medium Low	0 0 0 0
2.2	East Kent Services (EKS) - Housing Benefit Admin & Assessment	Substantial	Critical High Medium Low	0 0 0 0
2.3	Community Safety	Substantial/ Reasonable	Critical High Medium Low	0 4 3 0
2.4	Housing – Anti Social Behaviour	Reasonable	Critical High Medium Low	0 2 3 2
2.5	Planned Maintenance – Procurement and Contract Management	No	Critical High Medium Low	1 16 1 0
2.6	East Kent Services - Housing Benefit Testing 2022-23	Not Applicable		

*For Assurance and Recommendation priority definitions see Annex 5

2.1 Local Code of Corporate Governance – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council's governance arrangements are adequately designed to lead to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.

2.1.2 Summary of Findings

Good governance should enable the Council to pursue its vision effectively as well as underpinning that vision.

The primary findings giving rise to the Substantial Assurance opinion in this area are as follows:

- The Council has a documented Governance Framework which gives clear and accurate details of what Corporate Governance is, how it is applied within the Council and this is regularly reviewed and updated, and conforms to the CIPFA/SOLACE framework.
- The Council meets its obligations for each core principle as set and defined within the CIPFA/SOLACE framework and provided details on what these are and how they are to be achieved within the Local Code. The code is readily available, relevant, and up to date.
- The Annual Review process is undertaken and reported in a timely manner and in accordance with the Framework.
- Information within the public domain and internally is relevant, up to date and easily accessible.
- Members and Staff are briefed in respect of their obligations under the framework and any training opportunities are identified and met.
- Provisions within the Local Government Transparency Code have largely been met. The Council has taken steps to review their compliance and identify any areas of potential concern with the publication of information required under the Code. Any issues identified have been assigned an owner and are either resolved or in the process of being resolved.

2.2 EKS: Housing Benefit Admin & Assessment – Substantial Assurance

2.2.1 Audit Scope

To ensure that the processes and procedures established by CIVICA / EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury CC, Dover DC and Thanet DC and incorporate relevant internal controls regarding the administration & assessment of Housing Benefit claims.

2.2.2 Summary of Findings

Between CIVICA and EK Services they are responsible for the administration and assessment of housing benefits on behalf of Canterbury City Council, Dover District Council and Thanet District Council. This ranges from the day to day processing of housing benefit claims to the installation of upgrades and data cleansing to the system

and regular back ups to ensure that data is kept secure and is compliant with data security.

The primary findings giving rise to the Substantial Assurance opinion in this area are as follows:

- The performance of Civica is monitored very closely by EK Services Senior Management and the client officers from the partner authorities. Targets have been set (and met) to ensure that Civica meet the expectations set by each authority and the commitments agreed in the Service Level Agreement.
- Established processes and supporting procedure notes are in place for allocating work and confirming that the verification framework is complied with when processing housing benefit claims.
- Quality assurance checks ensure that claims are processed in a consistent manner and that any errors are fed back to Civica for correction but also are used to feed into training programmes / updates for the claim assessors.
- Established processes are in place for ensuring system access is controlled, backups are taken, data cleansing is carried out and that system upgrades are processed correctly.

2.3 Community Safety – Substantial / Reasonable Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to achieve the Corporate Plan Priority theme 2 objective to 'Work with our partners to provide a safe District and address the needs of our most vulnerable residents'.

2.3.2 Summary of findings

Section 17 of the Crime and Disorder Act 1998, as amended by the Police and Justice Act 2006, requires responsible authorities to consider crime and disorder (including antisocial behaviour and other behaviour adversely affecting the local environment) and the misuse of drugs, alcohol and other substances in the exercise of all their duties, activities and decision making.

The last audit in this area (December 2019) highlighted that new working practices were being embedded into the new Community Safety team following a recent restructure and would need time before the full benefit of them is fully realised. Four years on those process have now fully embedded and are working well. One current issue is that other agencies (i.e. Kent Police, Clinical Commissioning Group) are going through restructures, so it is not always known who their responsible officers are and this impacts on them attending joint working meetings. This in turn could lead to the Council feel obliged to take on more actions / cases than they should.

Management can place Substantial Assurance on the day to day working processes and Reasonable Assurance regarding the reporting to Members.

The primary findings giving rise to the Substantial / Reasonable Assurance opinion in this area are as follows:

- Processes are in place for the public to be able to report anti-social behaviour and they are then reviewed, actioned or passed onto other agencies. The M3 system

is being replaced in January 2024 and officers are currently testing the new system to ensure that all data is being moved across to the new system so that a seamless transfer to the new system can take place.

- The Community Safety Team are undertaking events and projects across the district that address community safety issues. (i.e. IMPACT Roadshow, Angel Express).
- There is a Community Safety Partnership in place that is addressing community safety issues across the district. Supporting plans and action plans are in place and minutes are place for the various partnership meetings that are held.
- Information is presented to the Council's Overview and Scrutiny Committee on the work carried out by Community Safety but this is not being presented to the correct committee. (See Below)

Scope for improvement was however identified in the following areas:

- The Community Safety Partnership Plan and supporting action plan should be presented the Council's Overview and Scrutiny Committee as they are acting as the Council's Crime and Disorder Committee as they are required by legislation to scrutinise work on community safety.
- The Strategic Assessment should be presented to the Crime and Disorder Committee.
- The Overview and Scrutiny Committee should have a clear set of terms of reference when acting as the Crime and Disorder Committee.
- The Overview and Scrutiny Committee should clearly record in the minutes of the meeting when acting as the Crime and Disorder Committee.
- Consideration should be given to the production of an annual report to be presented to the Council's Crime and Disorder Committee on the work of the Council in respect of community safety.
- An Anti-Slavery Policy Statement should be put in place and include a statement regarding Modern Day Slavery which should then be presented to the relevant committee for approval each year, and then put on the Council's website and communicated to all persons working for the Council or on behalf of the Council in any capacity. (Including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, agents, contractors and suppliers).

2.4 Housing Anti-Social Behaviour– Reasonable Assurance

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to achieve the Corporate Plan Priority theme 2 objective to 'Work with our partners to provide a safe District and address the needs of our most vulnerable residents'.

2.4.2 Summary of Findings

The Council believes that council tenants and leaseholders have a right to live in an environment that allows them to enjoy their home and community. The Council recognises that anti-social behaviour (ASB) caused by a minority of tenants can be disruptive and distressing for neighbours, damage the sustainability of communities and adversely affect the ability of the Council to let properties. The Council has a range

of legal powers to help deal with ASB. These powers are contained in the Housing Acts of 1985 and 1996, the Anti-Social Behaviour Act 2003, the Anti-Social Behaviour, Crime and Policing Act 2014 and the Environmental Protection Act 1990.

The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- Processes are in place for tenants and leaseholders to be able to report anti-social behaviour and they are then reviewed, actioned or passed onto other agencies.
- Supporting policies are in place to assist in dealing with anti-social behaviour, however these have not been approved by members but by officers under delegated powers.
- Officers attend regular meetings, both in house and with other agencies, to share information on issues and also the actions being taken to address ASB.
- Although there is currently a reliance on the use of word and excel for each ASB case, it has been agreed that from February 2024 the Tascomi system is to be used for the recording of ASB in the same way as the Community Safety Team.

Scope for improvement was however identified in the following areas:

- The Housing Services Neighbour Nuisance and Anti-Social Behaviour Policy and the Customer Alerts policy should be presented the Council's Overview and Scrutiny Committee; as they are acting as the Council's Crime and Disorder Committee, they are required by legislation to scrutinise work on community safety.
- Consideration should be given to the production of an annual report to be presented to the Council's Crime and Disorder Committee on the work carried out by the Housing team in respect of community safety.
- Monthly data is not sent to Members about their wards The only information provided to Members is through the quarterly performance report that is presented to Cabinet. When the Tascomi system goes live, discussions should be carried out with Digital and also Community Safety about using dashboards that can be made available to Members so that they can see the data for their ward in respect of Housing ASB.

2.5 Planned Maintenance – Procurement and Contract Management – No Assurance

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that planned maintenance of the Council's social housing stock is undertaken economically, efficiently, and effectively.

2.5.2 Summary of Findings

Purchasing decisions and processes are important because the spend is public money. The purpose of the Council's Contract Standing Orders is to provide a structure to officers within which procurement decisions can be implemented to ensure that the Council:

- Uses its resources efficiently
- Purchases quality goods, services and works

- Safeguards its reputation and the reputation of officers undertaking procurement from any implication of dishonesty or corruption.

Section 9.1 of Contract Standing Orders (CSOs) states that 'the starting point for calculating the contract value for the purposes of CSOs is that the contract value shall be the genuine pre-estimate of the value of the entire contract excluding Value Added Tax but including all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period (including proposed extensions and options)'. Testing identified that the pre-estimate of the value of work to be given to the contractor is not being calculated, instead work is incorrectly based on individual jobs rather than the total amount of work likely to be given to a contractor. This means the process fails to comply with many other requirements of CSOs as the anticipated value of the whole works under the contract is incorrect.

Discussions with the officers established that a lack of training on CSOs is not considered to be the reason for non-compliance with CSOs within the service, they are aware of the requirements. Testing also identified one instance whereby the officer deliberately chose to not comply with CSOs in order to get work completed as it was considered that compliance with CSOs will likely result in urgent (but non-emergency) work being delayed.

Management can place No Assurance on the system of internal controls around the Procurement and Contract Management by the Planned Maintenance service.

The primary findings giving rise to the No Assurance opinion in respect of both Procurement and Contract Management are as follows:

- CSO 9.1 – Staff are failing to undertake a genuine pre-estimate of the value of work required which includes all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period.
- CSO 7.2 - Testing identified that from a sample of 12 contractors only 4 procurement opportunities had been advertised.
- Staff are not obtaining the correct number of quotes/tenders. In one instance work valued at £39,000 was undertaken on a void property was not advertised and only a single quote was obtained. Another void property (not advertised) had work valued at £21,000 with only one quote. All work valued at £15,000 requires three or more quotes. The same two jobs were also completed under a retrospective Purchase Order for 'goods and services' rather than 'works'.
- CSO 5.4.7 – Contracts valued at £5,000 or more should be included in the Council's published Contracts Register. Testing identified only 5 from 12 contracts were listed on the Council's Contract Register.
- CSO 3.2 - All contracts of a value of £15,000 or more shall be made using the Council's Standard Terms and Conditions of Contract, or a standard form of contract e.g. JCT or NEC. Testing identified only 4 from 12 contractors had a suitably detailed contract in place for the work they completed. In all other cases tested officers were using the Goods and Services Purchase Order in lieu of a contract as required by CSO's.
- A large amount of 'works' are being undertaken using a Purchase Order which is only suitable for use when ordering goods and services meaning that there are effectively no Terms and Conditions in place.
- Staff are not seeking advice and guidance from Procurement or Legal before using a Purchase Order in lieu of a written contract with DDC standard terms and conditions as is required by CSOs.

- CSO 3.3.5 – Staff are not undertaking checks to confirm that contractors being used hold the appropriate insurances.
- Staff are not undertaking 'Duty of Care' checks to confirm that contractors being used to undertake work which produces waste hold a Waste Carrier Licence as is required under the Environmental Protection Act 1990. Testing identified 3 from 12 contractors in the sample tested had no Waste Carrier Licence.
- One instance was identified where Purchase Orders were deliberately split to reduce the 'overall' value so as to avoid the requirement under CSO's to obtain three quotes.
- Purchase Orders are often being raised retrospectively which makes budget monitoring inaccurate and of limited value.
- Poor forward planning is resulting in contractors being used with no contract in place, or expired contracts continuing to be used. For one of the contractors in the sample of 12 tested, the Council spent £242,786 over 14 months with a supplier under an expired contract.
- In 3 from 3 void property inspections, post inspections undertaken by officers had failed to identify items being charged for but not completed. On the 3 void properties with a combined value of work of £71,000, overcharges of £3,950 were not identified as part of the post inspection process by officers.
- Work was paid for in 4 from 12 instances prior to the receipt of FENSA certificates to confirm that the work has been completed correctly.
- In 3 from 9 cases of electrical work reviewed during the audit were found to have been paid for without the necessary installation certificates being received meaning that the Council is allowing tenants to use newly installed electrical items without knowing that the installation is safe to use.

Management Response

The audit findings clearly raise some concerns regarding the Council's management of the planned maintenance programme for its housing stock. The issues raised are being addressed with some urgency to ensure that the team adhere to the Council's Contract Standing Orders at all times. It is accepted that some of the issues are a hangover from EKH management of the service and there are also mitigating circumstances regarding staff levels and the desire to progress work in a timely manner, however due process must be followed. Whilst the majority of the audit findings relate to the procurement processes within the team, this audit has highlighted the need for a wider, post-covid, reset across the whole Council regarding the applications of policies and procedures and CMT will be considering how to take this forward.

Strategic Director (Place and Environment)

2.6 EKS; Housing Benefit Testing 2022-23 - Not Applicable

2.6.1 Audit Scope

Over the course of 2022-23 financial year the East Kent Audit Partnership will complete a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

2.6.2 Summary of Findings

For the 2022-23 financial year (April 2022 to March 2023) forty-five claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification. Below is a summary table of the findings:-

A fail is categorised as an error that impacts on the benefit calculation. However, data quality errors are still to be shown but if they do not impact on the benefit calculation then for reporting purposes the claim will be recorded as a pass.

For 2022-23 a total of forty-five claims have been checked of which one (2.22%) had a financial error that impacted on the benefit calculation and one (2.22%) had a data quality error.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

3.1 As part of the period's work, seven follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations previously made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. Those completed during the period under review are shown in the following table.

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding
a) Housing Allocations	Reasonable	Reasonable	Critical	0	0
			High	2	0
			Medium	3	2
			Low	0	0
b) Car Parking & Enforcement	No	Reasonable	Critical	2	0
			High	8	0
			Medium	1	1
			Low	0	0
c) Homelessness	Reasonable	Reasonable	Critical	0	0
			High	3	0
			Medium	1	1
			Low	1	0
d) EKS Business Rates	Substantial	Substantial	Critical	0	0
			High	0	0
			Medium	2	0
			Low	4	0
e) EKS Discretionary Housing Payments	Substantial	Substantial	Critical	0	0
			High	3	0
			Medium	2	0
			Low	3	0

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding
f) Leasehold Charges	Reasonable	Substantial	Critical	0	0
			High	3	0
			Medium	2	0
			Low	3	0
g) Employee Health & Safety	Reasonable	Reasonable	Critical	0	0
			High	11	1
			Medium	3	1
			Low	9	2

*For Assurance and Recommendation priority definitions see Annex 5

- 3.2 Details of each of any individual high priority recommendations outstanding after follow-up are included at Annex 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 Officer and Members of the Governance Committee.

The purpose of escalating outstanding high-risk matters is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

4.0 WORK-IN-PROGRESS:

- 4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings, Dog Warden and Street Scene Enforcement, Procurement, ICT Change Control, and Member Code of Conduct and Standards Arrangements.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2023-24 Audit plan was agreed by Members at the meeting of this Committee on 16th March 2023.
- 5.2 The Head of the Audit Partnership meets on a quarterly basis with the Strategic Director (Corporate Resources) - Section 151 Officer to discuss any amendments to the plan. Members of the Committee will be advised of any significant changes through these regular update reports. Minor amendments are made to the plan during the course of the year as some high-profile projects or high-risk areas may be requested to be prioritised at the expense of putting back or deferring to a future year some lower risk planned reviews. The detailed position regarding when resources have been applied and or changed are shown as Annex 3.

6.0 FRAUD AND CORRUPTION:

- 6.1 There were no other new or recently reported instances of suspected fraud or irregularity that required either additional audit resources or which warranted a revision of the audit plan at this point in time.

7.0 INTERNAL AUDIT PERFORMANCE

- 7.1 For the six months to 30th September 2023, 165.05 chargeable days were delivered against the target of 318, which equates to 51.9% plan completion.
- 7.2 The financial performance of the EKAP is currently on target at the present time.
- 7.3 Thee EKAP introduced an electronic client satisfaction questionnaire, which is used across the partnership. The satisfaction questionnaires are sent out at the conclusion of each audit to receive feedback on the quality of the service.

Attachments

- Annex 1 Summary of High priority recommendations outstanding after follow-up.
Annex 2 Summary of services with Limited / No Assurances yet to be followed up.
Annex 3 Progress to 30-09-2023 against the agreed 2023/24 Audit Plan.
Annex 4 Balance Scorecard of KPIs to 30th September 2023
Annex 5 Assurance Statements

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING OR IN PROGRESS AFTER FOLLOW-UP – ANNEX 1

Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<i>Employee Health & Safety – November 2023</i>		
Identify and maintain up-to-date records for all relevant Health and Safety Training required across the Council and ensure these are listed, with their frequency for renewed training within the Policy.	<p>Corporate Mandatory Training and Timescales to be added to the H&S Policy when it is reviewed.</p> <p>Proposed Completion Date 31 August 2023</p> <p>Responsibility Head of HR, Payroll & Communications & Health and Safety Advisor</p>	<p>The review of the H&S Policy has been delayed due to resource constraints in the team and should be completed by Q4. This action will form part of that review.</p> <p>Outstanding.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Planning Applications, Income & s.106 Agreements	16-03-2023	Reasonable/Limited	Work-in-Progress
GDPR Compliance within Housing	29-06-2023	Limited	Work-in-Progress
Commercial Let Properties and Concessions	29-06-2023	Reasonable/Limited	Work-in-Progress
EKS – Data Management Desegregation Project	28-09-2023	Limited	Winter 2023
Waste Management & Street Cleansing	28-09-2023	No	Work-in-Progress
Planned Maintenance – Contract Letting and Management	07-12-2023	No	Spring 2023

**PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
DOVER DISTRICT COUNCIL**

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2023	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	10	0	0	Finalised – No Assurance; Time shown under finalisation of 22-23 audits
HOUSING SYSTEMS:				
Homelessness	10	10	8.34	Finalised - Reasonable
Void Property Management	10	0	0	Covered by 22-23 Repairs and Maintenance
Contract Letting & Management	10	10	24.14	Finalised - No Assurance
Resident Involvement	10	10	0	Quarter 4
Anti-Social Behaviour	5	5	0	Finalised - Reasonable
Energy Efficiency	10	10	0	Quarter 4
HR RELATED:				
Payroll	6	6	0.44	Work-in-Progress
GOVERNANCE RELATED:				
Members' Code of Conduct & Standards	10	10	1.05	Work-in-Progress
Local Code of Corporate Governance	10	10	8.07	Finalised - Substantial
Risk Management	10	10	0.45	Work-in-Progress
Corporate Advice/CMT	2	2	8.53	Work-in-Progress
s.151 Meetings and Support	9	9	8.83	Work-in-progress
Governance Committee Meetings and Reports	12	12	9.49	Work-in-Progress
Audit Plan Preparation	9	9	0	Work-in-Progress
COUNTER FRAUD & CORRUPTION:				
Counter Fraud	10	10	0	Quarter 4
CONTRACT RELATED:				
Procurement	10	10	0.53	Work-in-Progress
ICT RELATED:				
Change Controls	13	13	0	Work-in-Progress
Cyber Security	13	13	13.53	Finalised
Physical & Environmental Controls	13	13	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2023	Status and Assurance Level
SERVICE LEVEL:				
Commercial Let Properties & Concessions	10	10	9.34	Finalised – Reasonable/Limited
Community Safety	10	10	2.27	Finalised – Substantial/Reasonable
Climate Change	5	5	0	Quarter 4
Dog Warden, Fly Tipping & Litter Enforcement	10	10	1.17	Work-in-Progress
Electoral Registration	10	10	0	Quarter 4
Port Health	10	10	0	Quarter 4
Environmental Protection Service Requests	10	10	11.63	Finalised - Reasonable
Equality & Diversity	10	10	0	Quarter 4
Events Management	8	8	0.18	Work-in-Progress
Building Control	10	10	0	Quarter 4
Waste Mgmt. & Street Cleansing	10	10	13.14	Finalised – No/Reasonable
OTHER:				
Liaison with External Auditors	1	1	0.19	Work-in-Progress
Follow-up Work	15	15	12.64	Work-in-Progress
FINALISATION OF 2022-23- AUDITS:				
Car Parking & Enforcement	5	15	2.76	Finalised – No
Employee Health & Safety			7.14	Finalised - Reasonable
Leasehold Services			10.44	Finalised - Reasonable
VAT			0.08	Delayed at Client Request
Safeguarding			4.76	Finalised - Limited
Repairs & Maintenance & Void Property Management.			1.09	Finalised - Reasonable
GDPR Compliance within Housing			0.18	Finalised - Limited
RESPONSIVE ASSURANCE:				
Performance Management	0	10	0	To be undertaken instead of the Void Property Mgmt.
Risk Management – Consultancy	0	2	2.03	Finalised – N/A
District Election 2023 – Count staff	0	0	1.27	Finalised – N/A
LUF Grant Project Assurance	0	0	0.44	Work-in-Progress
TOTAL	318	318	165.05	51.9%

**PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
EAST KENT SERVICES**

Review	Original Planned Days	Revised Planned Days	Actual days to 30/09/2023	Status and Assurance Level
EKS REVIEWS:				
Housing Benefits Administration	15	13	12.70	Finalised - Substantial
Housing Benefits Testing	20	14	13.55	Finalised - N/A
Council Tax Reduction Scheme	15	15	0.16	Quarter 3
Customer Services	15	8	0.06	Quarter 4
Transition Governance	0	15	0.14	Quarter 3
OTHER:				
Corporate/Committee	4	4	3.10	Ongoing
Follow Up	2	2	0.11	Ongoing
FINALISATION of 2022-23 AUDITS:				
Debtors	2	2	1.45	Finalised - Substantial
Data Management Desegregation Project	1	1	1.55	Finalised – Reasonable / Limited
Total	74	74	32.82	44.35%

Balanced Scorecard

<u>INTERNAL PROCESSES PERSPECTIVE :</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Original Budget</u>
	Quarter 2		Reported Annually		
Chargeable as % of available days	87%	90%	• Cost per Audit Day	£	£403.37
Chargeable days as % of planned days			• Direct Costs	£	£521,918
CCC	36.71%	50%	• + Indirect Costs (Recharges from Host)	£	£10,530
DDC	51.90%	50%	• - 'Unplanned Income'	£	Zero
TDC	47.27%	50%			
FHDC	41.71%	50%			
EKS	44.34%	50%			
Overall	44.91%	50%	• = Net EKAP cost (all Partners)	£	£532,448
Follow up/ Progress Reviews;					
• Issued	28	-			
• Not yet due	44	-			
• Now due for Follow Up	18	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Partial			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>
	Quarter 2		Quarter 2		
Number of Satisfaction Questionnaires Issued;	36		Percentage of staff qualified to relevant technician level	61%	60%
Number of completed questionnaires received back;	11		Percentage of staff holding a relevant higher-level qualification	50%	50%
	= 31%		Percentage of staff studying for a relevant professional qualification	0%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	2.21	3.5
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner • The audit report was 'Good' or better • That the audit was worthwhile. 	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	50%	50%
	100%	90%			
	100%	100%			

Definition of Audit Assurance Statements & Recommendation Priorities

CiPFA Recommended Assurance Statement Definitions:

Substantial assurance - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable assurance - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited assurance - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No assurance - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

EKAP Priority of Recommendations Definitions:

Critical – A finding which significantly impacts upon a corporate risk or seriously impairs the organisation’s ability to achieve a corporate priority. Critical recommendations also relate to non-compliance with significant pieces of legislation which the organisation is required to adhere to and which could result in a financial penalty or prosecution. Such recommendations are likely to require immediate remedial action and are actions the Council must take without delay.

High – A finding which significantly impacts upon the operational service objective of the area under review. This would also normally be the priority assigned to recommendations relating to the (actual or potential) breach of a less prominent legal responsibility or significant internal policies; unless the consequences of non-compliance are severe. High priority recommendations are likely to require remedial action at the next available opportunity or as soon as is practical and are recommendations that the Council must take.

Medium – A finding where the Council is in (actual or potential) breach of - or where there is a weakness within - its own policies, procedures or internal control measures, but which does not directly impact upon a strategic risk, key priority, or the operational service objective of the area under review. Medium priority recommendations are likely to require remedial action within three to six months and are actions which the Council should take.

Low – A finding where there is little if any risk to the Council or the recommendation is of a business efficiency nature and is therefore advisory in nature. Low priority recommendations are suggested for implementation within six to nine months and generally describe actions the Council could take.

DOVER DISTRICT COUNCIL

GOVERNANCE COMMITTEE – 7 DECEMBER 2023

EXCLUSION OF THE PRESS AND PUBLIC

Recommendation

That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting for the remainder of the business on the grounds that the item(s) to be considered involve the likely disclosure of exempt information as defined in the paragraph of Part 1 Schedule 12A of the 1972 Act set out below:

<u>Item</u>	<u>Report Title</u>	<u>Paragraphs Exempt</u>	<u>Reason Exempt</u>
9	Quarterly Internal Audit Update Report – Restricted	3	Information relating to the financial affairs of any particular person (including the authority holding that information)

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

Agenda Item No 9

Document is Restricted