



Public Document Pack

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16 November 2023

AUDIT AND GOVERNANCE COMMITTEE

A meeting of the Audit and Governance Committee will be held in **Council Chamber, Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF** on **Thursday 30 November 2023 at 6.00 pm** and you are requested to attend.

Members: Councillors Dr Walsh (Chair), O'Neill (Vice-Chair), P. Bower, Goodheart, Haywood, Jones, May, Oppler, Purser, Turner and Wallsgrove

PLEASE NOTE: Where public meetings are being held at the Arun Civic Centre, to best manage safe space available, members of the public are encouraged to watch the meeting online via the Council's [Committee webpages](#).

1. Where a member of the public wishes to attend the meeting or has registered a request to take part in Public Question Time, they will be invited to submit the question in advance of the meeting to be read out by an Officer, but of course can attend the meeting in person.
2. We request members of the public do not attend any face to face meeting if they have Covid-19 symptoms.

Any members of the public wishing to address the Committee meeting during Public Question Time, will need to email Committees@arun.gov.uk by 5.15 pm on **Thursday 23 November 2023** in line with current Committee Meeting Procedure Rules.

For further information on the items to be discussed, please contact Committees@arun.gov.uk

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members and Officers are invited to make any declaration of pecuniary, personal and/or prejudicial interests that they may have in relation to items on this agenda, and are reminded that they should re-declare their interest before consideration of the items or as soon as the interest becomes apparent.

Members and Officers should make their declaration by stating:

- a) the item they have the interest in
- b) whether it is a pecuniary/personal interest and/or prejudicial interest
- c) the nature of the interest

3. MINUTES

(Pages 1 - 6)

The Committee will be asked to approve as a correct record the Minutes of the Audit & Governance Committee held on 28 September 2023.

4. ITEMS ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCE

5. PUBLIC QUESTION TIME

To receive questions from the public (for a period of up to 15 minutes).

6. 2021/22 EXTERNAL AUDIT PROGRESS UPDATE

Verbal update to be provided to the Audit & Governance Committee by representatives from Ernst & Young LLP relating to the latest progress for the 21/22 External Audit, including remaining actions required before the audit can be completed.

[15 Minutes]

7. 2022/23 EXTERNAL AUDIT UPDATE
- Verbal update to be provided to the Audit & Governance Committee by representatives from Ernst & Young LLP setting out the latest position on guidance to be received from the Department for Levelling Up, Housing and Communities to tackle the system-wide audit delays. The update will also include the possible implications of this guidance once finalised for the planning and delivery of the 2022/23 and 2023/24 external audits.
[10 Minutes]
8. INTERNAL AUDIT PROGRESS REPORT SEPTEMBER 2023 (Pages 7 - 26)
- The report outlines the progress of the Council's Internal Audit service against the approved Internal Audit Plan for 2023/24 from 1 April 2023.
[15 Minutes]
9. TREASURY MANAGEMENT – INTERIM REPORT 2023/24 (Pages 27 - 42)
- This mid-year report has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and covers the activities to 30 September 2023. It enables the Audit and Governance Committee to scrutinise the report prior to making comment to Full Council.
- During the period to 30 September 2023, the Council complied with its legislative and regulatory requirements, including confirmation that the authorised limit was not breached.
[20 Minutes]
10. CORPORATE RISK REGISTER UPDATE (Pages 43 - 88)
- The Corporate Risk Register is reviewed and updated in line with the requirements of the Council's Risk Management Framework.
- Quarterly updates reflecting revisions are reported to the Audit and Governance Committee, this report highlights the changes since the last update.
- It is proposed that the Committee considers and notes the revised Corporate Risk Register.
[15 Minutes]

11. WORK PROGRAMME

(Pages 89 - 92)

The Committee is required to note the Work Programme for 2023/24.

[5 Minutes]

Note : If Members have any detailed questions, they are reminded that they need to inform the Chair and relevant Director in advance of the meeting.

Note : Filming, Photography and Recording at Council Meetings – The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. This meeting may therefore be recorded, filmed or broadcast by video or audio, by third parties. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and as available via the following link [Filming Policy](#)

Agenda Item 3

Subject to approval at the next Audit and Governance Committee meeting

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AUDIT AND GOVERNANCE COMMITTEE

28 September 2023 at 6.00 pm

Present: Councillors Dr Walsh (Chair), O'Neill (Vice-Chair), P. Bower, Haywood, Oppler, Purser, Turner, Wallsgrove and Tandy (Substitute for May)

Councillors Needs was also in attendance for all or part of the meeting.

266. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Jones, May and Goodheart.

267. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

268. MINUTES

The Minutes of the meeting held on 25 July 2023 were approved by the Committee. These would be signed after the meeting.

269. ITEMS ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCE

There were no urgent matters for this meeting.

270. PUBLIC QUESTION TIME

No public questions had been submitted for this meeting.

271. INTERNAL AUDIT PROGRESS REPORT SEPTEMBER 2023

The Chair welcomed Iona Bond, Senior Audit and Counter Fraud Manager, from Southern Internal Audit Partnership (SIAP), who then presented the report to the Committee. The report outlined the progress of the Council's Internal Audit service against the approved Internal Audit Plan for 2022/23 from 1 April 2023. Progress so far had been very positive, and the Senior Audit and Counter Fraud Manager thanked the

Audit and Governance Committee - 28.09.23

Officers for their help. She went through each section of the report and highlighted that page 18 showed 17% of the work had been completed, and 25% was in progress; Section 4 contained the analysis of 'Live' audit reviews, which showed managers and Officers had been completing all agreed management actions from the 2022-23 audit report, and from this there were only 7 management actions overdue. Due to the number of actions, this was a pleasing level of overdue actions; A verbal update was provided regarding the Environment Health and Protection Food Safety Audit on page 21, which was due to begin very shortly. This meant all work from quarters 1 and 2 had commenced; Economic Regeneration had been removed as shown in Section 8. This had originally been included due to the Council's ongoing projects, however due to the current stages of these projects it was now felt unnecessary to include for 2023-24. This would be reviewed in 2024-25; Annexes 1 and 2 showed the overdue Management Actions. The Senior Audit and Counter Fraud Manager was satisfied with the reasons for these being overdue.

Members then took part in a question and answer session where the following points were raised:

- Was the priority rating for overdue management actions decided internally or externally by SIAP? There was particular interest in the 'Use of Agency Workers' being given a medium rating. The Senior Audit and Counter Fraud Manager explained management assigned the ratings, however this was reviewed by SIAP, who would engage in conversations with Officers if they were not in agreement. The Group Head of Finance and Section 151 Officer explained to Members that all audits that had limited assurances on them were monitored directly by the Corporate Management Team.
- It was asked what data protection training would be rolled out to Councillors. The Group Head of Finance and Section 151 Officer explained this would come under the remit of the Monitoring Officer and an answer would be circulated to Members after the meeting.

The report was noted.

272. RESPONSE TO ERNST & YOUNG ON THE ANNUAL ASSURANCE LETTER REGARDING GOVERNANCE ARRANGEMENTS

Upon the invitation of the Chair, the Internal Audit Manager introduced the report. He explained that each year the Chair of the Audit & Governance Committee was requested to provide a response to Ernst & Young (the Council's external auditors) in respect of the oversight of management's processes for identifying and reporting the risk of fraud, and possible breaches of internal control within the Council.

There were no questions from Members.

The report was noted.

273. TREASURY MANAGEMENT – QUARTER 1 REPORT 2023/24

Upon the invitation of the Chair, the Senior Accountant (Treasury) introduced the report to Committee. She explained that the Treasury Management Codes revised in 2021 recommended that Members were updated on treasury management activities quarterly, so this was an additional report. She highlighted page 42, which showed the list of investments on 30 June 2023, at £48 million; page 43, paragraph 2.4 showed a summary and comparison of the investments at 31 March 2023 and 30 June 2023. There was an average level of funds for the first quarter of £43 million, highlighted in 2.8; Page 44, paragraph 2 showed the average rate of return on investments in June of 4.27% against a budgeted return of 3.20%, which had increased further to around 4.5% in August. This was largely due to the interest rate increase; Paragraph 2.11 showed the estimated outturn was currently around £1.9m, showing an over achievement of around £400k; Paragraph 2.13 showed the property and diversified fund valuations, which were still below the principle invested. Due to the IRFS 9 (an unrealised fair value movement), and the override in place, this would not effect the Council's revenue budget for 2023-24. This override was currently in place until 31 March 2025. For Arun these were both considered to be long-term investments and it was acknowledged the value would rise and fall; Page 49 showed an economic update from the Link Group, the treasury advisors. A revised forecast would be received from them sometime the following week.

Members then took part in a question and answer session where the following points were raised:

- Whilst investments were doing better, the rate of inflation was rising, did this mean the funding gap was increasing? The Group Head of Finance and Section 151 Officer explained that this was the case.
- Page 42 showed £8million investments had matured, and this money been reinvested and if so who with? The Senior Accountant (Treasury) explained most of the money had been reinvested and she would circulate an updated investment list to Members after the meeting.
- It was asked whether consideration could be given to investing in Unity Trust Bank. The Group Head of Finance and Section 151 Officer would look into this.

The Group Head of Finance and Section 151 Officer thanked the Senior Accountant (Treasury) for the clear and concise report she had written. He highlighted that Members should be aware of the IFRS 9, for which local authorities currently had an exemption from the accounting standard. If this exemption was removed, local authorities would have to reflect the capital value in accounts, and at present as this was less than the amount paid in, it would have a negative effect on the budget, and would have implications for Council Tax. This would continue to be reported by Officers, but was something he asked Members to take note of.

The recommendations were proposed by Councillor Wallsgrove and seconded by Councillor Tandy.

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The Committee

RECOMMEND TO FULL COUNCIL that

1. the quarter 1 treasury management report for 2023/24 be noted;
2. they note the treasury activity for the quarter ended 30 June 2023, which has generated interest receipts of £460,918 (4.27%). Budget £1,540,000 (3.20%); and
3. the quarter 1 actual prudential and treasury indicators for 2023/24 contained in the report be noted.

274. CORPORATE RISK REGISTER UPDATE

Upon the invitation of the Chair, the Group Head of Finance and Section 151 Officer introduced the report. He explained he was presenting the report on behalf of the Finance and Risk Manager. The Corporate Risk Register had been reviewed and updated in line with the requirements of the Council's Risk Management Framework. Quarterly updates reflecting revisions were reported to the Audit and Governance Committee, and this report highlighted the changes since the last update. The main changes were in paragraph 4.9, where the Development Plan risk had been changed from a high to a medium; paragraph 4.12 showed a new risk had been added, which was CRR18 - Housing Benefit Subsidy 2023/24. The Department for Work & Pensions (DWP) required that housing benefit subsidy claims be audited. At the end of 2023/24 the contract with Ernst & Young would run out, and the DWP wanted assurances that there would be an external auditor in place. The ultimate sanction would be that no housing benefit subsidy would be paid by DWP, which was in the millions of pounds. It was stressed this was not likely. A procurement process was currently being undertaken to obtain a new contract, and whilst the risk needed to be documented, this was receding as the procurement process progressed.

Members then took part in a question and answer session where the following points were raised:

- How long would the new auditor contract be for? The Group Head of Finance and Section 151 Officer would look into this and circulate a response to Members after the meeting.
- One Member explained that page 63 (Climate Change) showed 'additional funding (£100k) had been provided for the 23-24 financial year and an officer report was being drafted to take to Policy and Finance Committee in October 2023 to showcase what this would be used for'. She updated that this had now been delayed.
- Page 62 for Climate Change risk area showed 'Lack of financial support through relevant and applicable Government funding/grants'. Were there any funds/grants expected? The Group Head of Finance and Section 151

Officer explained daily bulletins were received from central Government regarding funding opportunities, and that Officers would look for funding when resources allowed.

Having considered the revised Corporate Risk Register, the report was noted.

275. UPDATED RISK MANAGEMENT FRAMEWORK

Upon the invitation of the Chair, the Group Head of Finance and Section 151 Officer introduced the report. The Council's Risk Management Framework had been reviewed and updated to take account of changing legislation, government initiatives, best practice and experience gained within the Council. This report highlighted any amendments resulting from the review. The reason for the changes were set out in paragraph 4.3, and the changes were highlighted in appendices 1 and 4, most of which were around the downscaling of the frequency of review of the risks. He emphasised this did not mean the risks were not managed, and the frequency with which they were being managed on an operational level was still very high.

There were no questions from Members. Members praised Officers for the thorough reports presented throughout the meeting.

Having considered the updated Risk Management Framework, the report was noted.

276. WORK PROGRAMME

The Committee noted the Work Programme.

(The meeting concluded at 6.38 pm)

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REPORT TO:	Audit & Governance Committee 30 November 2023
SUBJECT:	Internal Audit Progress Report September 2023
LEAD OFFICER:	Antony Baden, Group Head of Finance and Section 151 Officer
LEAD MEMBER:	Councillor Dr James Walsh
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:	
The Council’s budget promotes all of the Council’s Corporate Priorities.	
DIRECTORATE POLICY CONTEXT:	
The Council’s Internal Audit Service has an effect on all Directorates of the Council.	
FINANCIAL SUMMARY:	
There are no direct financial implications arising from the report. Provision of a sound Internal Audit Service should result in effective financial control and guard against theft and fraud.	

1. PURPOSE OF REPORT

- 1.1. The Committee has a responsibility to review the Internal Audit Progress report to ensure that action has been taken by relevant managers on risk based issues identified by Internal Audit.

2. RECOMMENDATIONS

- 2.1. The Committee is requested to receive this report and note progress to date, as at 30 September 2023.

3. EXECUTIVE SUMMARY

- 3.1. The report outlines the progress of the Council’s Internal Audit service against the approved Internal Audit Plan for 2023/24 from 1 April 2023.

4. DETAIL

- 4.1. Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and

- undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 4.2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit Committee, summarising:
- The status of 'live' internal audit reports (outstanding management actions);
 - an update on progress against the annual audit plan;
 - a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.
- 4.3 The progress report is attached at Appendix 1 and provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to 30 September 2023.

5. CONSULTATION

- 5.1. N/A

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1. The report is for information only.

7. COMMENTS BY THE GROUP HEAD OF FINANCE AND SECTION 151 OFFICER

- 7.1. A fit for purpose, monitored Internal Audit system enhances financial control and reduces the risk of theft and fraud for the Council.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1. The main risks arising from the process are:
- Issues raised by Internal Audit are not appropriately actioned by managers. This could result in weak systems control, increasing the risk of theft and fraud. Regular reporting and monitoring reduces the risk;
 - The other risk is slippage of the approved Audit programme. This would mean the approved programme is not delivered and resources not directed as planned. Regular reporting and monitoring reduces the risk.
- 8.2. Processes in place and financial controls mitigate against these risks.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

9.1. A sound system of Internal Audit is one of the requirements of the Local Government Finance Act 1972.

10.HUMAN RESOURCES IMPACT

10.1. There are no impacts.

11.HEALTH & SAFETY IMPACT

11.1. There are no impacts.

12.PROPERTY & ESTATES IMPACT

12.1. There are no impacts.

13.EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1. There are no impacts.

14.CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1. There are no impacts.

15.CRIME AND DISORDER REDUCTION IMPACT

15.1. There are no impacts.

16.HUMAN RIGHTS IMPACT

16.1. There are no impacts.

17.FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1. There are no impacts.

CONTACT OFFICER:

Name: Stephen Pearse
Job Title: Internal Audit Manager
Contact Number: 01903 737561

BACKGROUND DOCUMENTS: [Annual Internal Audit plan 2023/24](#)

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Southern Internal Audit Partnership

Assurance through excellence
and innovation

ARUN DISTRICT COUNCIL INTERNAL AUDIT PROGRESS REPORT SEPTEMBER 2023

Prepared by: Iona Bond, Assistant Head of Partnership

October 2023

1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

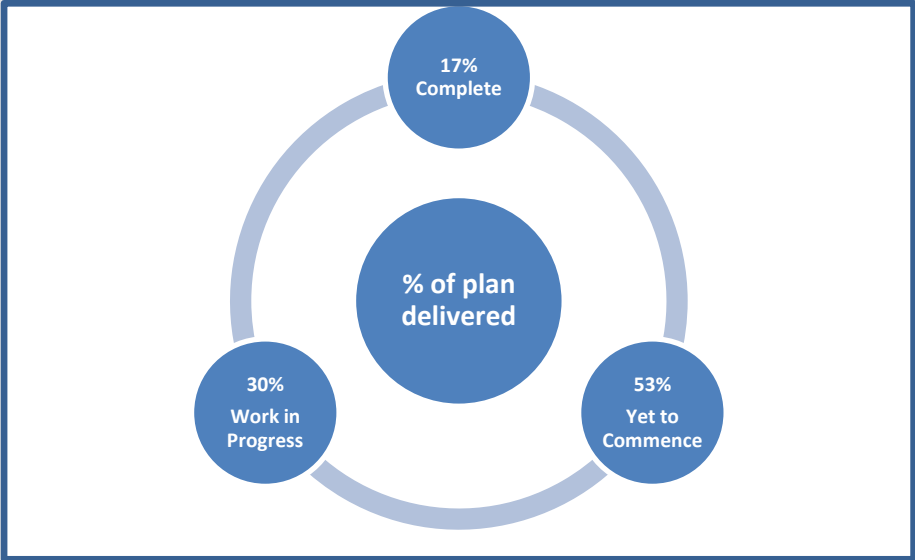
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial	<i>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.</i>
Reasonable	<i>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.</i>
Limited	<i>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.</i>
No	<i>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.</i>

3. Performance dashboard



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Compliance with Public Sector Internal Audit Standards

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due	Complete	Overdue		
							L	M	H
2022/23									
Cyber Security	25/11/2022	CEX	Reasonable	10 (2)	1 (0)	8 (2)	1		
Information Governance	09/12/2022	CEX	Reasonable	8 (5)	2 (2)	3 (2)		2	1
Use of Agency Workers	30/01/2023	CEX	Limited	10 (0)	0(0)	8 (0)		2	
Decision Making and Accountability	08/02/2023	CEX	Substantial	3 (0)	3 (0)	0 (0)			
IT Asset Management	08/03/2023	DoE&C	Reasonable	8 (3)	0 (0)	7 (2)			1
Climate Strategy	12/04/2023	DoE&C	Reasonable	2 (1)	2 (1)	0 (0)			
Car Parks and Enforcement	23/05/2023	DoG	Reasonable	7 (1)	1 (0)	6 (1)			
Accounts Receivable and Debt Management	13/06/2023	CEX	Reasonable	4 (1)	3 (0)	0 (1)			1
Homelessness	06/07/2023	DoE&C	Limited	13 (13)	4 (4)	8 (8)			1
Business Continuity	28/07/2023	DoE&C	Limited	23 (10)	7 (0)	7 (6)		5	4
2023/24									
Fraud Framework	05/09/2023	CEX	Reasonable	12 (1)	9 (1)	3 (0)			
Total							1	9	8

*Total number of actions (total number of high priority actions)

Audit Sponsor			
CEX	Chief Executive	DoE&C	Director of Environment and Communities
DoG	Director of Growth		

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no reports published concluding a “Limited” or “No” assurance opinion to date for 2023/24.

6. Planning & Resourcing

The internal audit plan for 2023-24 was presented to the Corporate Management Team and the Audit & Governance Committee in February 2023.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Corporate								
Transformation	CEX							Q4
Governance								
Fraud Framework	CEX	✓	✓	✓	✓	✓	Reasonable	
Risk Management	CEX	✓	✓	✓				
Annual Governance Statement	CEX	✓	✓	✓	✓	✓	Substantial	
Human Resources	CEX							Q3
IT								
Cyber Security	DoE&C	✓	✓					Q4
System Development and Implementation (eforms)	DoE&C	✓	✓	✓	✓	✓	Reasonable	
PCI	DoE&C	✓	✓	✓	N/A	N/A	N/A	Advisory work
Finance								
NNDR	CEX	✓	✓	✓				
Housing Rents	DoE&C	✓	✓	✓				
Medium Term Financial Planning	CEX	✓	✓	✓				

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Improving the Wellbeing of Arun								
Disabled Facilities Grant	DoE&C							Q4
Leisure	DoE&C							Q3
Delivering the Right Homes in the Right Places								
Housing Voids	DoE&C							Q3
Responsive Maintenance	DoE&C							Q4
Replacement Housing IT System	DoE&C							As required
Planning and Development Management	DoG							Q4
Supporting Our Environment to Support Us								
Parks and Green Spaces	DoE&C							Q4
Environmental Health and Protection – Food Safety	DoG	✓	✓					
Environmental Health and Protection – Noise and Enforcement	DoG							Q3
Fulfilling Arun’s Economic Potential								
Economic Regeneration	DoG							Q3
Corporate Property Portfolio	DoG	✓	✓	✓				
Miscellaneous								
Licensing – Taxi’s	DoG							Q4

8. Adjustments to the Internal Audit Plan

The following adjustment to the plan has been made:

Removed from the Plan	Reason
Economic Regeneration	Following the work undertaken in 2022/23, there is no requirement for additional work this year.
IT Disaster Recovery Planning	In consultation with management this review has been deferred to the early part of 2024/25. Some coverage of this area was included within our 2022/23 review of corporate business continuity planning.

Overdue 'High Priority' Management Actions

Information Governance - Reasonable			
<p>Observation: The Council's Data Protection Policy stipulates that all staff are required to undertake an annual programme of mandatory refresher data protection training. Appropriate training and briefings on data protection policies and procedures should be provided to Councillors on a biannual basis. Whilst we confirmed that data protection refresher training had been rolled out to staff in May 2021 and Councillors in 2020, there had not been any refresher training provided or planned for this year as at the time of the audit testing.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
The Council will provide DP training to all Councillors following the May 2023 elections and every 2 years thereafter	31.07.2023	31.10.2023	In progress. The July 2023 date was not achievable due to the need for Councillors to undertake their induction programme following the May 2023 elections. That programme is now complete and the DP training will now be rolled out.

IT Asset Management - Reasonable			
<p>Observation: There is CCTV coverage on the outside of the building, inside the reception area and the doorways leaving the area where devices are stored. Although there is no coverage of the doors to the storage locations, the routes to those locations are covered to some extent. Although the Net2 system records logs of access to doors by card there are currently shared access cards in use, for example "Engineer, Phone Engineer 1", "Civic Centre, Avantguard".</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Replace shared access cards with individual cards and review door access to IT offices.	31.03.2023	31.10.2023	In progress. It has been more time consuming than anticipated to take back contractors passes.

Accounts Receivable and Debt Management - Reasonable**Observation:**

Although there is a Sundry Debtors Write Off Policy and Corporate Debt Policy in place neither had been reviewed/updated in accordance with designated frequency. Neither of these documents make reference to policy or procedures for refunds, credit notes or the Dunning policy, for the collection of outstanding debts.

Discussions with Alan Smith, Group Accountant confirmed there are no formal written policy/procedures for refunds and credit notes. It was advised that this is usually down to the discretion of the service or if there has been an error with entry to the system. Whilst we acknowledge that there may be a need for applying some discretion in managing refunds/credit notes, it would be advisable to have a framework within which to operate and for required authorisations and segregation of duties to be applied.

Write off values stated within the Corporate Debt Policy and Write Off Policy were inconsistent with those stated in the Council's Constitution.

The Constitution 2021 - Version 2.2 (January 2023), on page 162 (Page 24) states that the Group Head of Finance is approved to write-off a combination of debts to the value of £8,000 in any one financial year, rather than up to £10,000 as stated in the Accounts Receivable Write-Off Policy dated January 2022.

The Constitution also mentions that subject to any policy adopted by Finance and Policy Committee, debts greater than £8,000 may only be written off with relevant committee approval, however the Council's Debt Policy states over £10,000.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Update of the Accounts Receivable Write-Off Policy and Constitution so they both agree.	30.09.2023	31.01.2024	In progress. Instruction passed to Legal Services for amendment to be made. This (as with other changes to the Constitution) will need Committee approval prior to formal adoption.

Homelessness - Limited			
Observation: During discussions with the Interim Housing Options Manager, it was explained that there is no monitoring undertaken to ensure that all key correspondence with clients and evidence of appropriate authorisation is uploaded in HOPE for each case.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Peer reviews to be carried out by officers on each others cases	31.08.2023	30.11.2023	In progress. A template for the reviews is currently being developed.

Business Continuity - Limited			
Observation: The Generic Emergency Plan states that the Emergency Plan and associated documents are to be stored on Resilience Direct. Appendix 1.1 of the Emergency Plan lists 14 emergency planning and associated documents, testing found that four of these documents were not stored on Resilience Direct and discussion confirmed that one of the documents, 'Move to Critical Plan (terrorism)', has not been written. Of the ten documents on Resilience Direct testing identified that four had no review date, four were overdue for review (review dates 2011, 2015, 2018 and 19/02/23) and two were not yet due for review.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
The Move to Critical plan is currently in draft and will be sent out for consultation and consequently published.	31.08.2023	30.11.2023	In progress. The Plan has been drafted and is out for consultation.

Business Continuity - Limited

Observation:
 The Corporate Business Continuity Plan was last updated in November 2022 and the scope states the strategy applies to all parts of the organisation. The plan includes incident management, core services, threats, recovery strategies and contact details. Audit testing identified that the plan does not include any guidance or procedures detailing the format and contents of plans or reference to the templates, where plans should be stored and how often plans should be reviewed and tested.

Testing identified a couple of discrepancies in the Corporate Plan:

- Six core services are listed for recovery in one day on page nine of the Corporate Plan. However, seven core services are listed on page 12.
- The accountability section states that ‘Immediate responsibility is delegated to the Director of Services who is the Chair of the Business Recovery Management Team (BRMT)’ however, the Director of Environment & Communities is shown as the Chair of the BRMT under the BCP roles and responsibilities.

The Corporate Plan includes high level responsibilities with regards to incidents for management, operational recovery teams, finance, elected members and all staff and general business continuity responsibilities are outlined for management and the Emergency Planning Officer. However, operational responsibilities for lower level business continuity plans are not set out. There was evidence of emails and guidance issued to service managers requesting business continuity plans to be reviewed and updated.

Discussions identified that no business continuity training has been provided to staff and there are no plans in place to provide training.

The Corporate Business Continuity Plan has not been formally approved by CMT.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Revised Corporate BCP to be formally approved by CMT.	31.08.2023	31.10.2023	In progress. The BCP has been updated and is scheduled to be presented to CMT on 31.10.2023

Business Continuity - Limited**Observation:**

The Emergency Plan details individual roles and includes the preparatory role and the response role for each position. The preparatory role includes responsibilities such as training, maintain a working knowledge of the plan, understand duties, ensure contact details are up to date and some roles have wider preparatory responsibilities.

There was no evidence that many of these roles have been assigned to individuals and therefore staff with no training or knowledge of the Emergency Plan may be required to respond in an emergency. The training spreadsheet details the training provided to individual members of staff and what role/s they have been assigned however some of the roles in the training spreadsheet had different titles to those in the plan and some roles in the plan were not included in the training spreadsheet.

Appendix 1.13 of the Generic Emergency Plan sets out the training requirements for the emergency planning roles. A review of the spreadsheet that records the training provided to individual members of staff found that:

- Some training has been provided but most of it was some time ago and one officer had not had any training.
- Two courses have never been provided.
- Some courses have only been undertaken by the EP officer.

Tactical Emergency Management training was provided in November 2022 to some senior management.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
CMT will be asked to approve and support the training of officers as identified for the programme of training.	31.08.2023	30.11.2023	Consultation and presentation to be given to CMT mid November.

Business Continuity - Limited			
Observation: The Generic Emergency plan states that 'each plan should be reviewed, trained for and exercised at least once in three years', discussions confirmed that testing of the plan has not taken place.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
CMT will be asked to approve and support the exercising of officers, as identified for the programme of exercising.	30.09.2023	30.11.2023	Incorporated into the consultation and presentation scheduled for CMT mid November.

Overdue 'Low & Medium Priority' Management Actions (September 2023)

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Cyber Security	25.11.2022	Reasonable	Low	31.03.2023	31.10.2023
Information Governance	09.12.2023	Reasonable	Medium	31.07.2023	31.10.2023
			Medium	30.05.2023	31.10.2023
Use of Agency Workers	30.01.2023	Limited	Medium	31.07.2023	31.12.2023
			Medium	31.07.2023	31.12.2023
Business Continuity	28.07.2023	Limited	Medium	31.08.2023	30.11.2023
			Medium	30.09.2023	31.10.2023
			Medium	30.09.2023	30.11.2023
			Medium	30.09.2023	30.11.2023

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Arun District Council

REPORT TO:	Audit and Governance Committee – 30 November 2023
SUBJECT:	Treasury Management – Mid Year report 2023-24
LEAD OFFICER:	Sian Southerton, Senior Accountant (Treasury)
LEAD MEMBER:	Cllr Dr Walsh
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/CORPORATE VISION:	
<p>The Treasury Management function is required by regulation and has an effect on all Directorates of the Council.</p>	
DIRECTORATE POLICY CONTEXT:	
<p>This report supports the Annual Treasury Management Strategy Statement (TMSS).</p> <p>It is the mid year (Qtr2) update and reviews the report considered by Audit and Governance Committee on 28 February 2023 and presented to Full Council on 15 March 2023.</p> <p>The report updates Members on the:</p> <ul style="list-style-type: none"> • Investment position • Borrowing position and • Prudential Indicators 	
FINANCIAL SUMMARY:	
<p>There are no direct financial implications arising from this report.</p>	

1. PURPOSE OF REPORT

1.1. The purpose of this report is to present the Council’s Treasury Management activities for the year to date as at 30 September 2023. Also, it enables the Audit and Governance Committee to scrutinise the report prior to making comment to Full Council.

2. RECOMMENDATIONS

The Audit and Governance Committee is asked to recommend the following to Full Council:

Arun District Council

- 2.1. note the mid year treasury management report for 2023/24;
- 2.2. note the treasury mid-year activity for the period ended 30 September 2023, which has generated interest receipts of £1,068,012 (4.65%). Budget £1,540,000 (3.20%);
- 2.3. approve the actual prudential and treasury indicators for 2023/24 contained in the report; and
- 2.4. approve the addition of a further Money Market Fund (MMF) – State Street Global Advisors (details of which can be seen in 2.4 of appendix 1).

3. EXECUTIVE SUMMARY

- 3.1. This mid-year report has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and covers the activities to 30 September 2023. It enables the Audit and Governance Committee to scrutinise the report prior to making comment to Full Council.
- 3.2. During the period to 30 September 2023, the Council complied with its legislative and regulatory requirements, including confirmation that the authorised limit was not breached.

4. DETAIL

- 4.1. This can be found in appendix 1.

5. CONSULTATION

- 5.1. Consultation has been undertaken with the Council's Treasury Advisors – Link Group, Link Treasury Services Limited.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1. As the CIPFA Code of Practice for Treasury Management 2021 recommends that Members be updated on treasury management activities at least quarterly, the only option available is to request that Full Council note the recommendations.
- 6.2. The Treasury Management Strategy is a mandatory requirement under the Local Government act 2003.

7. COMMENTS BY THE GROUP HEAD OF FINANCE SUPPORT/SECTION 151 OFFICER

- 7.1. The financial implications arising from Treasury Management are outlined throughout the report.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1. The main risks in treasury management are financial ones. These are identified in the Council's Treasury Management Practices and the main risks in these activities are:

- liquidity;

Arun District Council

- markets or investment;
- inflation;
- credit and counterparty;
- legal and regulatory

8.2. The consequences of ignoring these are the implementing of poor practices, diminished interest returns, loss of capital invested and poor liquidity (funds available when required). The Council's strategies mitigate these risks.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

9.1. Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority including securing effective arrangements for treasury management. There are no specific legal implications arising from this report.

10. HUMAN RESOURCES IMPACT

10.1. None direct

11. HEALTH & SAFETY IMPACT

11.1. None direct

12. PROPERTY & ESTATES IMPACT

12.1. None direct

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1. None

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1. To support the Council's 2030 carbon neutral target there should be consideration to transitioning current (and future) investments into more sustainable investment options. Currently this makes up 2.32% of the Council's total emissions, resulting in roughly 628.96 tCO₂e being produced as per the carbon emissions audit 2021-2022.

14.2. Current Investments with CCLA (diversified fund and property fund and Standard Chartered (Sustainable deposits) have positive ESG factors.

14.3. Further options will be explored and considered in due course.

15. CRIME AND DISORDER REDUCTION IMPACT

15.1. None

Arun District Council

16. HUMAN RIGHTS IMPACT

16.1. None

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1. None

CONTACT OFFICER:

Name: Sian Southerton

Job Title: Senior Accountant (Treasury)

Contact Number: 01903 737861

BACKGROUND DOCUMENTS:

- Strategy Statement and Annual Investment Strategy 2023/24

Arun District Council

Appendix 1

Arun District Council Treasury Management Mid-Year Report (Q2) 2023/24

1. Introduction

1.1. Treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2. This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2021) and covers the first 6 months of the year to 30 September 2023.

1.3. The Council has also implemented the Department of Levelling Up, Housing and Communities (DLUHC) investment guidance in producing these regular reports.

1.4. The investment activity to date conforms to the approved strategy and the Council has had no liquidity difficulties. This report focuses on the 2023/24 financial period ending 30 September 2023 and is based on the data available at the time of writing.

2. Amendments to 2023/24 Treasury Management Strategy Statement

2.1. The Treasury Management Strategy Statement, (TMSS), for 2023/24 was approved by this Council on 15 March 2023. The Annual Investment strategy (part of the 2023-24 TMSS), defines the Investment policy, creditworthiness policy and Country and sector limits.

2.2. The Council’s investment policy has regard to the DLUHC Guidance on Local Government Investments (“the Guidance”) and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”).

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2.3. The Council's TMSS has one further proposed change, and that is to introduce one new Money Market Fund (MMF) to the current lending list – State Street Global Advisors. This MMF is highly rated (AAA) and is achieving a return of around 5.20%. (This is recommendation 2.4 above).

2.4. The Fund seeks to promote the following environmental and social characteristics:

- investment of the Fund's net assets in sustainable investments using an ESG scoring system and a third party ESG rating and

- avoidance of investments in areas which are deemed to be in violation of UN Global Compact Principles or involved in controversial weapons, thermal coal, arctic drilling, oil, and tar sands, and other ESG controversies.

3. Strategy and Investment review

3.1. The Treasury Management Strategy Statement (TMSS) in accordance with the CIPFA Treasury Management Code of Practice, sets out the Council's investment priorities as being (SLY):

- Security of capital
- Liquidity
- Yield

3.2. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 2 years with high credit rated financial institutions to achieve the best yield possible but with SLY at the forefront.

3.3. The table below shows the £50m investment portfolio and percentage in each sector.

INVESTMENT PORTFOLIO	31.3.23 Actual £000	31.3.23 Actual %	30.9.23 Actual £000	30.9.23 Actual %
Treasury investments				
Banks	32,740	75%	30,253	60%
Building Societies - rated	0	0%	0	0%
Building Societies - unrated	2,000	4%	1,000	2%
Local authorities	0	0%	0	0%

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Money Market Funds	2,190	5%	12,010	24%
Total managed in house	36,930	84%	43,263	86%
Property funds	5,000	11%	5,000	10%
Diversified funds	2,000	5%	2,000	4%
TOTAL TREASURY INVESTMENTS	43,930	100%	50,263	100%

3.4. A full list of investments held as at 30 September 2023 are shown in the table below:

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Reference no.	Counterparty	Issue Date	Maturity Date	Principal	Current Interest Rate
875	Goldman Sachs International	14/06/2023	16/10/2023	£1,000,000.00	4.500
869	Close Brothers Limited	04/05/2023	06/11/2023	£1,000,000.00	4.450
870	DBS Bank Ltd	15/05/2023	15/11/2023	£1,000,000.00	4.530
858	NatWest Bank	23/11/2022	23/11/2023	£1,000,000.00	4.645
860	Development Bank of Singapore (DBS)	15/12/2022	15/12/2023	£1,000,000.00	5.000
861	Development Bank of Singapore (DBS)	22/12/2022	22/12/2023	£1,000,000.00	5.020
863	Standard Chartered Bank - Sustainable Deposits	05/01/2023	05/01/2024	£1,000,000.00	4.650
867	Goldman Sachs International	27/04/2023	26/01/2024	£1,000,000.00	4.900
879	Development Bank of Singapore (DBS)	12/07/2023	05/02/2024	£1,000,000.00	6.010
880	Development Bank of Singapore (DBS)	07/08/2023	07/02/2024	£1,000,000.00	5.750
881	Close Brothers Limited	10/08/2023	12/02/2024	£1,000,000.00	5.800
883	National Westminster Bank PLC	07/09/2023	12/02/2024	£1,000,000.00	5.690
874	National Westminster Bank PLC (RFB)	14/06/2023	14/02/2024	£1,000,000.00	4.970
886	Goldman Sachs International	28/09/2023	28/02/2024	£1,000,000.00	5.560
887	Standard Chartered Bank - Sustainable Deposits	28/09/2023	28/02/2024	£2,000,000.00	5.440
882	Goldman Sachs International	01/09/2023	05/03/2024	£1,000,000.00	5.850
885	Standard Chartered Bank - Sustainable Deposits	27/09/2023	05/03/2024	£1,000,000.00	5.450
871	Goldman Sachs International	15/05/2023	05/03/2024	£2,000,000.00	5.030
877	Standard Chartered Bank - Sustainable Deposits	10/07/2023	06/03/2024	£1,000,000.00	6.150
873	Goldman Sachs International	07/06/2023	07/03/2024	£1,000,000.00	5.200
878	Standard Chartered Bank - Sustainable Deposits	10/07/2023	05/04/2024	£1,000,000.00	6.260
884	Goldman Sachs International	15/09/2023	05/04/2024	£1,000,000.00	5.780
866	Close Brothers Limited	14/04/2023	17/04/2024	£4,000,000.00	5.300
872	Close Brothers Limited	19/05/2023	17/05/2024	£1,000,000.00	5.540
876	Nationwide Building Society	15/06/2023	14/06/2024	£1,000,000.00	5.120
865	Goldman Sachs International	05/01/2023	06/01/2025	£1,000,000.00	5.310
44447	Lloyds Bank			£253,000.00	5.140
100500	CCLA (Churches, Charities and LA's)			£10,000.00	5.1842
110000	Federated Investors LLP			£4,000,000.00	5.3450
99999	Fidelity Fund Management Ltd			£4,000,000.00	5.2609
120000	Aberdeen Standard			£4,000,000.00	5.2821
140000	CCLA (Churches, Charities and LA's)			£5,000,000.00	*4.66
140500	CCLA (Churches, Charities and LA's)			£2,000,000.00	*3.39
				£50,263,000.00	

* rates at 30-9-23

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- 3.5. Investment rates have improved dramatically during the first half of 2023/24 providing the Council with enhanced returns, but no further increases are expected for the second half of the year. Rates are then expected to reduce over the next few years.
- 3.6. Creditworthiness - There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.
- 3.7. Investment counterparty criteria - The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function but as in 2.3 and 2.4 above, a further MMF is recommended to be added for diversification and further ESG considerations.
- 3.8. Investment balances - The average level of funds available for investment purposes during the first half of the financial year was £46m. The level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

3.9. Investment performance for quarter ended 30 September 2023

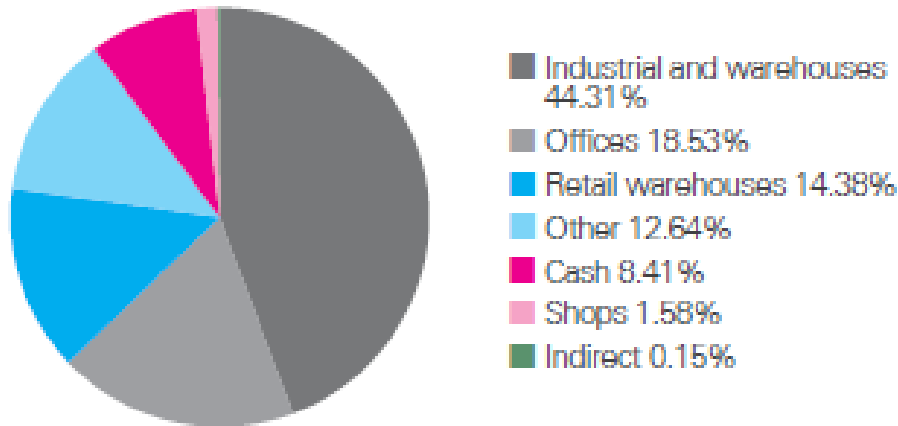
Benchmark	Benchmark Return	Budgeted Return	Council Performance	Investment Interest Earned
Average O/N Sonia	4.73%	3.20%	4.65%	£1,068,000

- 3.10. As illustrated, the authority is outperforming the budgeted interest return and is close to the benchmark rate. The Council's budgeted investment return for 2023/24 is £1,540,000 and performance for the year to date is above budget based on a straight line profile.
- 3.11. The estimated outturn for 2023/2024 is over £2m (4.8%) showing an over achievement of over £460k. This enhanced return is largely due to the improved rates applied to investments.
- 3.12. Currently £5M is invested in the CCLA (Churches, Charities and Local Authorities) property fund achieving an average rate of return of approx. 4.43% (rate at September was 4.66%), and £2m is invested in the CCLA diversified fund with an average rate of return of approx. 3.58% (rate at September was 3.39%).
- 3.13. The property fund continues to increase the returns the Council is achieving on its investments, however the Capital value is down 5.9% (at 30 September 2023). This is a long term investment and values will rise and fall over the years. See also paragraph 3.16 & 3.17.

Arun District Council

3.14. Asset allocation chart

Asset allocation at 30 September 23



3.15. Within the CCLA property fund portfolio (above), it is expected to maintain the existing bias towards Industrial Assets. The Funds remains well positioned and has had no exposure to shopping centres for many years and very little exposure to traditional retail. The fund has returned good performance against a challenging economic backdrop.

3.16. The Council had the following valuations at 30 September 2023:

- CCLA property fund - £4,704,947 (£5m invested)
- CCLA diversified fund - £1,863,538 (£2m invested)

This would have had an adverse impact of £431.5k on the Council's revenue budget if IFRS 9 was not in place.

3.17. IFRS 9 - following the consultation undertaken by the Department of Levelling Up, Housing and Communities [DLUHC], the Government has extended the mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31st March 2025. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

3.18. Approved lending limits - Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30 September 2023.

Arun District Council

4. Borrowing

- 4.1. No new borrowing was undertaken during the first half of the year to 30 September 2023.
- 4.2. The CFR (Capital Financing Requirement) denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.
- 4.3. The Council has no immediate plans to borrow externally for capital expenditure in the current financial year, although funding will need to be arranged for schemes recently approved, and we will look to borrowing internally for these in the first instance.
- 4.4. Currently Arun's only external borrowing relates to the HRA Self-Financing settlement (£35.46m), also summarised in the table below:

<u>Lender</u>	<u>Principal</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Maturity</u>
PWLB	£8.870m		3.21%	28/3/2030
PWLB	£8.870m	Maturity	3.40%	28/3/2035
PWLB	£8.860m	Maturity	3.53%	28/3/2050
PWLB	£8.860m	Maturity	3.48%	28/3/2062
	£35.46m			

- 4.5. Officers will continue to keep borrowing policy under review and use internal balances where possible to minimise borrowing costs.

5. Treasury and Prudential Indicators

- 5.1. As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following Treasury Management Prudential Indicators.
- 5.2. The borrowing activity is controlled by prudential indicators for net borrowing, the Capital Financing Requirement (CFR), and by the authorised limit which is summarised in the table below and in 5.6.

Arun District Council

Prudential Indicators	31 March 2023 Actual £000	2023/24 Original Estimate £000	September 2023 Position £000
Capital Expenditure:			
Non - HRA	7,411	5,944	13,870
HRA	6,436	8,998	13,880
TOTAL	13,847	14,941	27,751
Capital Financing Requirement (CFR):			
Total opening CFR	48,089	49,810	52,858
Closing CFR			
Non - HRA	(19)	(314)	605
HRA	52,876	55,666	59,941
TOTAL	52,858	55,352	60,545
Annual change in CFR:			
Non – HRA	4,423	3,457	7,064
HRA	345	2,085	624
TOTAL	4,768	5,543	7,688
Ratio of financing costs to net revenue stream:			
Non - HRA	(5.45)%	(6.51)%	(8.88)%
HRA	16.60%	18.19%	19.06%
Unfinanced capital expenditure	2,088	7,083	10,780

5.3. The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need: or
- If insufficient financing is available, or a decision is taken not to apply internal resources, the capital expenditure will give rise to a borrowing need

Arun District Council

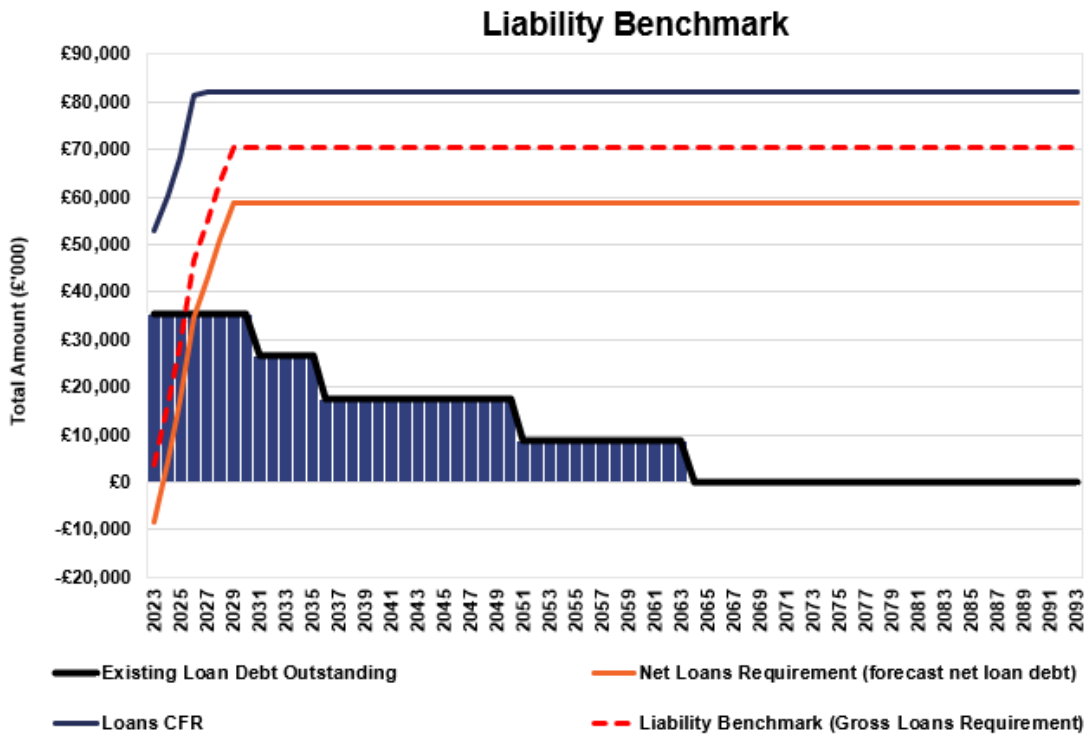
- 5.4. In the table in 5.2, all “unfinanced capital expenditure” results in a financing or borrowing need which will come from either internal or external borrowing.
- 5.5. The ratio of Net Financing Costs (NFC) to the Net Revenue Stream measures the amount of the Council’s income that is needed to fund non-HRA financing costs. The Council currently has no General Fund loan debt but it does receive a healthy investment income return as outlined in paragraphs 3.9 to 3.12 above. Therefore, this ratio is estimated to be -8.88% by the end of the financial year which is a change of -2.37% as a result of the increase in interest rates.
- 5.6. The treasury Indicators are shown in the tables below:

Treasury indicators	31 March 2023 Actual £000	2023/24 Original £000	September 2023 Position £000
Authorised Limit for External Debt:			
Borrowing	53,000	59,000	56,000
Other long term liabilities	5,000	4,000	7,000
TOTAL	58,000	63,000	63,000
Operational Boundary for External Debt:			
Borrowing	49,000	55,000	52,000
Other long term liabilities	1,000	4,000	7,000
TOTAL	50,000	59,000	59,000
Gross External Debt (Actual)			
Non – HRA	0	0	0
HRA	35,460	35,460	35,460
TOTAL	35,460	35,460	35,460
Remaining Authorised Limit for External debt:	22,540	27,540	27,540
Total Investments	43,930	44,000	50,263
Net borrowing (Net debt)	8,470	8,540	14,803

Maturity structure of fixed rate borrowing – upper & lower limits:	Actual at 30 September 23	lower limit	upper limit
Under 12 months	0%	0%	40%
12 months and within 24 months	0%	0%	40%
24 months and within 5 years	0%	0%	50%
5 years and within 10 years	25%	0%	60%
10 years and above	75%	0%	100%

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5.7. The Liability Benchmark compares the Council's actual existing borrowing against a Liability Benchmark that has been calculated to show the lowest risk level of borrowing. The Liability Benchmark is good because it's lower than the CFR line.



5.8. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 30 September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Group Head of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

5.9. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

6. Economic update – Link Group

6.1. The first half of 2023/24 saw:

Arun District Council

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
- Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
- A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
- CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).

6.2. Link Group's latest forecast, produced on 25th September (below), sets out a view that short, medium, and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

6.3. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View 25.09.23													
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

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REPORT TO:	Audit and Governance Committee 30 November 2023
SUBJECT:	Corporate Risk Register Update
LEAD OFFICER:	Antony Baden, Group Head of Finance and Section 151 Officer
LEAD MEMBER:	Cllr Dr James Walsh
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:	
<p>The Risk Management Framework presented to the Audit and Governance Committee on 28 September 2023 has been used to review the strategic risks facing the Council. As a result of the review a revised Corporate Risk Register has been produced.</p>	
DIRECTORATE POLICY CONTEXT:	
<p>The Corporate Risk Register is an overriding risk management tool that will capture corporate risks from across the Council.</p>	
FINANCIAL SUMMARY:	
<p>There are no direct financial considerations.</p>	

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is to highlight the updates to the Corporate Risk Register since it was last reported to the Audit and Governance Committee on 28 September 2023.

2. RECOMMENDATIONS

- 2.1. Members of the Audit and Governance Committee are asked to consider and note the revised Corporate Risk Register.

3. EXECUTIVE SUMMARY

- 3.1. The Corporate Risk Register is reviewed and updated in line with the requirements of the Council's Risk Management Framework.
- 3.2. Quarterly updates reflecting revisions are reported to the Audit and Governance Committee, this report highlights the changes since the last update.

- 3.3. It is proposed that the Committee considers and notes the revised Corporate Risk Register.

4. DETAIL

- 4.1. A report recommending the adoption of a new Risk Management Framework was presented to the Audit and Governance Committee on 29 November 2022. A subsequent report was provided to the Committee on 28 September 2023 detailing amendments to the Framework.
- 4.2. Corporate risks are risks that could influence the successful achievement of our long- term core purpose, priorities, and outcomes. These are risks that could potentially have a council wide impact and/ or risks that cannot solely be managed at a Service Area Level because higher level support or intervention is needed.
- 4.3. The Council's Risk Matrix (an extract from the Risk Management Framework) used to score each risk is included as Appendix 1 to this report.
- 4.4. Risks are assessed for Gross and Net risk. This method is used to evaluate the effectiveness of the identified actions used to mitigate the likelihood or impact of each of the risks.
- 4.5. The Corporate Management Team have reviewed the Corporate Risk Register in line with the review and reporting requirements of the Risk Management Framework included as Appendix 2 to this report.
- 4.6. Corporate risks were last reviewed by the Corporate Management Team on 19 September. The Corporate Risk register entries are attached as Appendix 3 to this report.
- 4.7. Actions have been reviewed and updates are highlighted on the risk register entries- Appendix 3.
- 4.8. The Net Risk level score in respect of CRR4.1 relating to a major successful cyber-attack has increased, however this risk remains at a medium score.
- 4.9. An additional medium risk has been identified, CRR4.4 relating to supplier support for the Council's electronic document management system. This risk register entry is included in Appendix 3 to this report.
- 4.10. The Corporate Management Team have approved the removal of risk CRR14 relating to Housing repairs- compliance failings. It is deemed that this risk is now being managed to an acceptable level and can now be managed solely at a Service Area level. This risk register entry is included in Appendix 3 to this report.
- 4.11. The Corporate Management Team have approved the removal of risk CRR 18 relating to the Housing Benefit Subsidy as an auditor has now been identified.

- 4.12. To improve the risk management of major projects (CRR11) this risk has been separated into three separate risks by project:
- CRR11a: Major Project- Alexandra Theatre
 - CRR11b: Major Project- Littlehampton Seafront
 - CRR11c: Major Project- Bognor Regis Arcade

The risk register entries for each of the above are included in Appendix 3 to this report.

- 4.13. A status update and timescales have been obtained and included to improve the monitoring of further actions.
- 4.14. Members of the Audit and Governance Committee are asked to consider and note the updates resulting in the revised Corporate Risk Register.

5. CONSULTATION

- 5.1. There is no requirement for public consultation in relation to the Corporate Risk Register, this is an internal risk management tool.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1. Not applicable.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/ S151 OFFICER

- 7.1. The financial challenges the Council face means that some risk mitigation has not been taken up due to timings as work is being undertaken on the corporate savings programme so some risks are higher than they could be e.g. equalities.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1. The Corporate Risk Register aids in the effective management of strategic risks faced by the Council. (Appendix 3)

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1. None

10. HUMAN RESOURCES IMPACT

- 10.1. There are no direct human resource implications. However, the Corporate Risk Register will assist in the effective management of related risks.

11. HEALTH & SAFETY IMPACT

11.1. There are no direct implications. However, the Corporate Risk Register will assist in the effective management of related risks.

12. PROPERTY & ESTATES IMPACT

12.1. There are no direct implications. However, the Corporate Risk Register will assist in the effective management of related risks.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1. There are no direct implications. However, the Corporate Risk Register will assist in the effective management of related risks.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1. There are no direct implications. However, the Corporate Risk Register will assist in the effective management of related risks.

15. CRIME AND DISORDER REDUCTION IMPACT

15.1. None.

16. HUMAN RIGHTS IMPACT

16.1. None.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1. There are no direct implications. However, the Corporate Risk Register will assist in the effective management of related risks.

CONTACT OFFICER:

Name: Vicky Ashmore

Job Title: Finance and Risk Manager

Contact Number: X37606

BACKGROUND DOCUMENTS:

Audit and Governance Committee report - 29 November 2022

Arun District Council

Audit and Governance Committee report - 25 July 2023
Arun District Council

Audit and Governance Committee report - 28 September 2023
Arun District Council

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APPENDIX 1: ARUN DISTRICT COUNCIL'S RISK MATRIX

IMPACT	Very High (4)	4	8	12	16
	High (3)	3	6	9	12
	Medium (2)	2	4	6	8
	Low (1)	1	2	3	4
		Unlikely (1)	Possible (2)	Likely (3)	Very Likely (4)
LIKELIHOOD					

To ensure resources are focused on the most significant risks. The Council's approach to risk management is to assess the risks identified in terms of both the potential likelihood and impact so that actions can be prioritised.

The risk management process requires each risk to be assessed twice- gross and net risk levels.

Gross Risk Level: is taken on the basis that there is no action being taken to manage the identified risk and/ or any existing actions are not operating effectively. The worst-case scenario if the risk were to occur.

Net Risk Level: This re-evaluates the risk, taking into consideration the effectiveness of the identified existing actions. The reality if the risk were to occur in the immediate future.

APPENDIX 2: REVIEWING AND REPORTING FRAMEWORK

Net Risk Level and Score	Frequency of Reviews (applies to <u>all</u> risk registers)
<p>High 12-16</p>	<p>These are significant risks which may have a significant impact on the Council and the achievement of its objectives if not managed.</p> <p>Immediate management action needs to be taken to reduce the level of net risk. Any net red risks at a service area level will be included alongside corporate risks reported to the Corporate Management Team.</p> <p>As a minimum review <u>quarterly</u></p>
<p>Medium 4-9</p>	<p>Although usually accepted, these risks may require some additional mitigation to reduce likelihood if this can be done cost effectively.</p> <p>These risks should be reassessed to ensure conditions remain the same and existing actions/ controls are operating effectively.</p> <p>As a minimum review <u>6- monthly</u></p>
<p>Low 1-3</p>	<p>These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources.</p> <p>These risks should be reassessed to ensure that conditions remain the same and existing actions/ controls are operating effectively.</p> <p>As a minimum review <u>annually</u></p>

APPENDIX 3: CORPORATE RISK REGISTER SUMMARY

CRR Ref	Directorate or Service Area	Risk Area	Gross Risk Level (Risk is Likelihood x Impact)	Net Risk Level (Risk is Likelihood x Impact)	Last Review Date	Change in Net Risk Level	Risk Owner
CRR 1-B	Housing/ Finance	Balance of Housing Revenue Account	16 (4x4)	12 (3x4)	CMT Performance Board: 19 September 2023	→	Tony Baden/ Moh Hussein
CRR 2	All Directorates	Organisational capacity to deliver	16 (4x4)	12 (4x3)		→	Karl Roberts/ Philippa Dart
CRR 7	All Directorates	Climate Change	16 (4x4)	16 (4x4)		→	Philippa Dart/ Joe Russell-Wells
CRR 10	Growth	Planning Policy & Conservation- Development Plan	12 (3x4)	8 (2x4)		→	Karl Roberts/ Neil Crowther
CRR 11a	All Directorates	Major Project- Alexandra Theatre	16 (4x4)	16 (4x4)		Major projects split to separate risk register entries 22/09/2023	Karl Roberts
CRR 11b	All Directorates	Major Project- Levelling Up Fund projects	12 (3x4)	12 (3x4)			Karl Roberts/ Philippa Dart
CRR 11c	All Directorates	Major Project- Bognor Regis Arcade	12 (3x4)	12 (3x4)			Karl Roberts

CRR 1-A	All Directorates	Financial Resilience	12 (3x4)	8 (2x4)	CMT Performance Board: 19 September 2023	→	Tony Baden
CRR 3	All Directorates	Change Management and Transformation	16 (4x4)	9 (3x3)		→	Karl Roberts/ Philippa Dart
CRR 4	All Directorates	ICT- Major successful cyber-attack	16 (4x4)	9 (3x3)		↑	Jackie Follis
		ICT- Physical or technical failure	12 (3x4)	6 (2x3)		→	Jackie Follis
		ICT- Permission to access government systems.	12 (4x3)	6 (2x3)		→	Jackie Follis
		ICT- Document Management System supplier support	6 (2x3)	6 (2x3)		Additional Risk 21/09/2023	Jackie Follis
CRR 5	All Directorates	Corporate Business Continuity	12 (3x4)	9 (3x3)		→	Philippa Dart/ Joe Russell-Wells
CRR 6	All Directorates	Information Governance and Data Protection	9 (3x3)	4 (2x2)		→	Daniel Bainbridge
CRR 8	All Directorates	Corporate Health and Safety	12 (3x4)	8 (2x4)		→	Nat Slade
CRR 9	All Directorates	Equality and Diversity	12 (3x4)	8 (2x4)		→	Jackie Follis
CRR 12	Homelessness	Increased Homelessness	16 (4x4)	9 (3x3)		→	Moh Hussein
CRR 13	Housing	Housing Management System Implementation	12 (3x4)	4 (2x2)		→	Moh Hussein
CRR 14	Housing Repairs	Compliance Failings	4 (1x4)	4 (1x4)		REMOVED	Moh Hussein
CRR 15	Housing	Ineffective Complaints Management	9 (3x3)	6 (2x3)		→	Moh Hussein
CRR 16	All Directorates	Chief Executive resignation/ vacancy	16 (4x4)	8 (2x4)		→	Karl Roberts/ Philippa Dart

CRR 17 (ORR 54)	Growth	Disabled Facilities Grant	4 (1X4)	4 (1X4)		→	Nat Slade
CRR18	Finance	Housing Benefit Subsidy	12 (3x4)	4 (1x4)		REMOVED	Tony Baden

CORPORATE RISK REGISTER

Risks that could influence the successful achievement of our long-term core purpose, priorities, and outcomes. These are:

1. Risks that could potentially have a council- wide impact and/ or
2. Risks that cannot be managed solely at a Service Area Level because higher level support or intervention is needed.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR1 - B	Finance/Housing	Balance of Housing Revenue Account	Service management and national pressures reduce income and increase costs leading to a potential HRA deficit by end March 2023 to be mitigated by approval of changes in capital financing.	<p>Current financial climate</p> <p>Increase in costs.</p> <p>Significant predicted overspends on planned and responsive repairs contract and Supervision and Management in current year.</p> <p>Increase in cost of Housing ICT/transformation project.</p> <p>Prior years overspends on reactive maintenance.</p>	<p>Without mitigation HRA balance at critical level resulting in potential failure of service.</p> <p>Financial loss to the Council.</p> <p>Increase in enforcement actions.</p> <p>Increase in homelessness.</p>	Tony Baden/ Moh Hussein

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GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
16 (4x4)	<p>Officers have completed their work with a consultant from CIPFA to review the Council’s HRA accounting policies in respect of depreciation, capital accounting and staff recharges. Good progress has been made and proposals are currently being reviewed prior to implementation to ascertain if they comply with the main CIPFA accounting code of practice.</p> <p>Member updates held in September 2023 on HRA finances to ensure transparency.</p> <p>Dedicated post for income recovery. Data analysis undertaken using Mobysoft to identify cases for next stage recovery action/ more specific intensive recovery action. Regular case reviews undertaken with specialist Housing Officer.</p> <p>Regular monthly training on income recovery for Housing Officers.</p> <p>Budget monitoring.</p>	12 (3x4)	<p>Further work is currently being undertaken by the Housing and Finance departments to investigate other areas of spend within the HRA where it may be possible to identify savings and efficiencies. It is expected that a written report will be presented to CMT in September 2023.</p>

Review of Capitalisation Policy.

Review of Borrowing Strategy.

Contract Management.

Review of Repairs Contract.

Close adherence to rent arrears policy and procedures.

Ensure officers understand the impact of timely intervention.

Staff training.

Debt advice- dedicated officer.

Good communication with tenants.

Specialist IT software.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 2	All Directorates	Organisational capacity to deliver.	<p>Lack of resilience in the existing staff structure, so do not have the necessary number of staff with the right skills to deliver services and the Council's priorities.</p> <p>Inability to meet the expectations of service users due to organisational capacity.</p> <p>Inability to attract and retain suitably skilled staff.</p>	<p>Uncompetitive salaries offered for certain positions/ professions.</p> <p>A comprehensive job profiling process that does not recognise external market forces and is resource intensive.</p> <p>Uncertainty around future home working arrangements.</p> <p>Limited scope for career progression can reduce the retention of talented staff.</p> <p>Inadequate training/ handover.</p> <p>Failure to recruit and retain talented staff.</p> <p>Lack of prioritisation of key workstreams.</p> <p>Impact and potential future impact of the coronavirus pandemic.</p> <p>Skills shortage externally – this is not Arun specific impacting Arun's ability to recruit.</p> <p>Local government – attractiveness/ age profile implications (approx. 60- 70% of staff over 40).</p> <p>Image of Local Government- increased by the media presenting a negative image of the public sector.</p> <p>Negative social media compounds the negativity related to the Council in general.</p>	<p>Non- achievement of corporate priorities.</p> <p>Loss of staff with essential knowledge and experience.</p> <p>Service disruption leading to a loss of productivity- whilst new starters/replacements are recruited and trained.</p> <p>Service performance and staff health and welfare could be compromised due to high attrition rates.</p> <p>Increased staff sickness.</p> <p>Increased costs of recruitment.</p> <p>High turnover.</p> <p>Hybrid/ remote working- positive or negative impact not yet fully known. This depends on the demographic, research to date points to flexibility being attractive.</p> <p>Over reliance on agency workers.</p> <p>Stress can be more hidden when staff are working from home/ adopting the hybrid mode.</p> <p>Reduced sickness rates have been recorded whilst staff have been working from home.</p> <p>Inability to respond to additional priorities or emergency situations.</p>	Karl Roberts/ Philippa Dart

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
<p style="text-align: center;">16 (4x4)</p>	<p>The Council's performance appraisal process identifies individual training requirements and individual objectives linked to service delivery plans.</p> <p>Utilisation of secondment opportunities to benefit from existing skills and develop individual staff.</p> <p>Investment in development of staff via the corporate training budget.</p> <p>Adequate notice periods built into posts.</p> <p>Staff sickness monitoring and reporting undertaken.</p> <p>The use of market supplements and other recruitment and retention payments to attract applicants to vacancies and retain staff.</p> <p>Job profiling is used to determine grades.</p> <p>Pay comparison/ benchmarking exercise with other Local Authorities is regularly undertaken.</p> <p>Lead specialist appointed to help develop the Council's operating model.</p>	<p style="text-align: center;">12 (4x3)</p>	<p>To review recruitment and retention initiatives to attract and retain appropriately skilled staff.</p> <p>Identify a specific training plan for all management tiers to cover business and management processes (for example, including Risk Management, the Constitution, Committee Structure/ Committee Reports and Budget management/ monitoring.</p> <p>Undertake regular staff engagement surveys.</p> <p>Annual workforce/ resource planning in conjunction with the zero- based budgeting process. Aids the alignment of Corporate, directorate and service area priorities.</p> <p>Operating Model/ Workforce Strategy/ Service reviews to align resources with new Council Vision.</p> <p>Review of job profiling and current reward strategy.</p> <p>All of the above have to be considered in the context of the Councils current financial position and the need for in year savings in 23/24. Progress will be considered when a savings strategy is developed in the autumn of 23.</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 7	All Directorates	Climate Change	<p>Failure to make the activities of the Council carbon neutral by 2030.</p> <p>Failure to complete/ achieve the actions detailed in the Council's Climate Action and Biodiversity Work Plan 2022- 2023.</p>	<p>Increased severity of global warming caused by continued use of carbon.</p> <p>A lack of understanding, resource allocation, and commitment to achieving climate change goals, through both officer actions and members vote.</p> <p>Slow take- up of energy saving measures e.g. green/ renewable tariffs, smart meters, installation of PV etc.</p> <p>Increase of sustainable energy costs verses carbon energy in short term.</p> <p>Inadequate level of sustainability required in proposal/ approved developments.</p> <p>Inadequate level of sustainability required in the Councils procurement process, for both purchased goods and services.</p> <p>Slow development of Government led policies for home/office energy standards, including for new developments and retrofit projects.</p> <p>Lack of financial support through relevant and applicable Government funding/grants.</p> <p>Government slow to introduce waste strategy including mandatory food waste collection.</p> <p>Slow take-up of electric, hybrid and low- emission vehicles- lack of accessible charging points.</p> <p>Progress of initiatives delayed due to Covid.</p>	<p>Increased likelihood of extreme weather: (hot and cold) impacting vulnerable residents and staff.</p> <p>Increased likelihood of flooding (coastal, fluvial and surface) impacting on properties.</p> <p>Extreme weather impacting the delivery of day-to-day services and damaging properties, both residential and cooperate. In turn an increased budget required for regular repairs of these damages.</p> <p>Detrimental impact on the local environment, including a significant reduction or loss in biodiversity and ecosystem stability.</p> <p>Continued reduction of air quality and resident health through emissions associated with petrol/diesel fuelled transport.</p>	Philippa Dart/ Joe Russell- Wells

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
<p style="text-align: center;">16 (4x4)</p>	<p>Climate Change & Sustainability Manager appointed.</p> <p>Prioritisation of climate change in council Vision</p> <p>Increased national awareness and drive for change including Member desire to progress climate change agenda.</p> <p>Government manifesto promises and global input (COP26 and beyond) and introduction of legislation.</p> <p>Council monitoring and implementing changes to Government standards (e.g. Future Homes).</p> <p>The Council's Carbon Neutral Strategy 2022- 2030 and Climate Action and Biodiversity Work Plan 2022- 2023 including actions and clear priorities being progressed.</p> <p>Continued annual monitoring of Scope 1, 2 and 3 emissions in line with greenhouse gas protocols and guidance.</p> <p>Annual update and review of the Council's Climate Action and Biodiversity Work Plan.</p> <p>Work has started around the procurement 'deep dive' and emission analysis for the 22/23 financial year. This works includes extensive analysis and review of procurement emissions (Arun's single largest emitter) and will help determine next steps and produce a list of actions which will be used to help increase reductions in this area.</p> <p>Development of climate related training for officers (mandatory) and members. This will include an introduction to climate change/ sustainability, emissions and what the Council aims to do and is doing to reach the 2030 carbon neutral target. As this is mandatory training this should be completed by mid-August 2023.</p> <p>Provision of Carbon Literacy training at senior level (including director and group heads, along with managers) to help start behavioural change within the Council. Further trainings to be carried out through the 23/24 year to include other officers to help imbed climate change/sustainability thinking throughout all levels of the Council. Cohorts and 3 and 4 have been booked in for the end of 2023 and early 2024.</p> <p>Arun become a Bronze certified Carbon Literate organisation in 2023, requirements to become Silver are being reviewed.</p>	<p style="text-align: center;">16 (4x4)</p>	<p>Appointment of Climate Change and Sustainability officer to provide further support to the Council in reducing emissions. Job advert is currently live and interviews to take place mid-September. This position was previously filled but has become vacant. Time scale: interviews will take place to fill this position on 12.9.2023, it is hoped that a suitable person will be found to appointed. Start date will depend on notice period requirements, if the job is offered.</p> <p>Support to be provided to suppliers and contractors, as well as local SMEs, businesses and companies around emission reduction and procurement changes. This will be in the form of support via information sheets and guidance documentation, as well as sign posting to external help and support. Time scale: this will be one of the focuses for the above role and will start once they are appointed.</p> <p>Training opportunities for members to be reviewed and provided where possible. Members have been asked to express interest by end of August in Carbon Literacy training and the climate related e-learning has been advertised and made available for them to complete. Time scale: work is currently underway in gathering members interests in this. A newsletter will be issued to members in September providing further information. Work has also started with the consultancy (speak carbon) in determining what will be needed to undertake this training. It is hoped that this will be provided in Autumn but will depend on members availability.</p> <p>Increased internal and external communication on climate change factors. Time scale: this will be one of the focuses for the above role. Work has already been started in terms of more frequent social media posts and internal comms in the HIVE newsletter and CEO blog.</p> <p>Procurement strategy prioritising low carbon purchasing as well as undertaking a 'deep dive' into procurement emissions to determine next steps and produce a list of actions which will be used to help increase reductions in this area. Time scale: this work has been started by Ricardo – target to be completed by the end of Autumn 2023.</p> <p>Additional funding (£100k) has been provided for the 23-24 financial year. An officer report is being drafted to take to Policy and Finance Committee in October 2023 to showcase what this will be used for. Current target is to provide an external fund for non-profits to support them in their journey of sustainability. This has been copied from what Horsham are doing - Community Climate Fund Horsham District Council. Time scale: this is being taken to P&F in October 2023 for a members update. Once this has been completed comms will start around advertisement. It is hoped that the first application window will open in early 2024, with advertisement starting in November 2023.</p>

Work has been completed around the energy audits of a selection of key buildings for the Council. These provide next steps on how to improve efficiency and drive down emission production. Building on from this funding for the LCSF phase 4 was successful and a heat decarbonisation plan is now underway for Arun Leisure Centre, using the energy audit for this to help inform this. Willmott Dixon have been appointed and enquires have been sent around support for application of the PSDF opening in Autumn 2023 for the leisure centre. If won, this will allow ALC to become net zero.

Continued connection with other D&Bs within West Sussex (and externally) to share ideas and support climate change related work.

Regular reporting of carbon reduction targets and actions to Committee

Options for developing planning policy guidance and Supplementary Planning Documents (SPD) aimed at improving the sustainability of developments compared to the current position and action plan to be progressed.

Liaison with external agencies (water agencies on local water quality-Blue Flag beaches and the Sussex Air Quality Partnership, Sussex Nature Partnership around biodiversity and BNG across Sussex).

Liaison with partners/ advice on provision of suitable vehicle charging points for the future and advice to residents on energy saving, reduction in carbon emission, wellbeing etc.

Providing support for other national/ local initiatives e.g. waste recycling and the Sussex Kelp Project. A members brief event has been booked in for Mid-October to provide members (and interested officers) on an update on the Kelp restoration occurring off the South Coast.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 10	Growth	Planning Policy and Conservation (Local Plans Team)	Not having an up-to-date Development Plan, guidance and a supporting evidence and monitoring framework.	<ul style="list-style-type: none"> - Key staff vacancies not filled/insufficient capacity and experience. - Unmanageable workload. - Competing work priorities within the policy team. - Member decisions to pause/postpone. - Council elections/Purdah (though this only affects a very short period and does not affect all decisions). - National Policy changes. - Failure of budget management/project planning. 	<ul style="list-style-type: none"> • Non compliance with Local Development Scheme – Local Plan update. • Failure to deliver Neighbourhood Plan preparation/updates. • The above would result in failure to have a 5-year land supply in place which would render certain polices out of date and trigger the presumption in favour. • Failure under Housing Delivery Test. This does not place an additional burden as the presumption would already apply without a 5 year land supply. • Risk of Plans being prepared by Government intervention. • Policy Framework out of date and decision making at risk of appeal and costs. • Additional budget needed to cover additional National policy requirements. • Legal costs (Appeals and JR) of failure to comply with national planning legislation. • Developments will be granted on appeal at an ever-increasing rate leading to reactive rather than proactive planning. Smaller sites not allocated in Plans would come forward and be difficult to resist. Opportunity for joined up infrastructure would be significantly reduced. • Insufficient evidence commissioning to support plan making. • Inability to progress important work on matter such as biodiversity, climate change or infrastructure (for example). These matters will be contained in future planning policies and betterment will only be secured when policies are adopted. • Abortive work/costs. 	Karl Roberts/ Neil Crowther

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
<p style="text-align: center;">12 (3x4)</p>	<ul style="list-style-type: none"> • More proactive engagement with Members. A need for more regular and detailed meetings to discuss issues and implications. • There was some preparatory work prior to the decision (June 2023 Planning Policy Committee) on whether to resume work on the Local Plan. • Clear project plan to be prepared and adhered to. • Regular team meetings specifically on Local Plan update and Neighbourhood Plan to review progress and to identify any difficulties arising with a view to finding solutions. • Full use of Neighbourhood Planning grant. • Ensure statutory consultation stages are achieved and compliant. <p>Project Initiation Document in respect of the Local Plan completed and subject to regular review. Last reviewed in August 2023.</p>	<p style="text-align: center;">8 (2x4)</p>	<p>Political commitment must be sought and agreed on the back of these meetings. Full Council agreed to proceed with review of Local Plan in July 23.</p> <p>Develop/monitor Recruitment Strategy and call off contract support for output deliverables. Proposed outsourcing of preparation of Local Plan. By 31 December 2023.</p> <p>Further regular benchmarking – monitoring and review.</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 11a	All Directorates	Major Project- Alexandra Theatre	<p>Failure to regenerate coastal towns within the district.</p> <p>Failure to deliver major projects in line with funder requirements meaning funding is withdrawn.</p> <p>Insufficient resources to deliver vision and aspirations for the district.</p>	<p>Lack of funding to deliver major projects.</p> <p>Decisions not made swiftly enough.</p> <p>Lack of public/ partnership acceptance of, and buy-in to strategies.</p> <p>Legal challenges increase.</p> <p>Multiple major projects running simultaneously- resources stretched.</p> <p>Impact of growth of Butlins and Chichester University influencing local market conditions.</p> <p>Other Council borrowing priorities/ increase in PWLB rates.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>Inconsistent decision making leading to projects being started and then abandoned.</p>	<p>Project fails to deliver objectives on time and/ or exceeds budget.</p> <p>Developers and invested could be deterred.</p> <p>Lack of growth.</p> <p>Possible legal issues from developer plans submitted before the Council consideration of schemes.</p> <p>Missed opportunities to invest in areas of development potential.</p> <p>Financial and reputational risk/ poor publicity.</p> <p>Development of Council land (car parks etc) could mean loss of income streams.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>Business closure e.g. in retail, hospitality and leisure sectors.</p> <p>The Council could face large revenue costs for aborted projects if external funding is withdrawn.</p>	Karl Roberts

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
16 (4x4)	<p>Briefings for members.</p> <p>Temporary employment of Head of Regeneration. (extended until 31/12/23).</p> <p>Bidding for external funds (arts council).</p> <p>Use of external support – Project Officers.</p> <p>Communications – Press Releases.</p> <p>Engagement with Partners e.g.: University, Bognor Regis Regeneration Board, Town & Parish Councils.</p> <p>High level business plan undertaken to inform future strategy.</p> <p>Specific project risk schedule.</p>	16 (4x4)	Seek legal advice on possible legal challenges- possible mediation.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 11b	All Directorates	Major Project- Littlehampton Seafront Project	<p>Failure to regenerate coastal towns within the district.</p> <p>Failure to deliver major projects in line with funder requirements meaning funding is withdrawn.</p> <p>Insufficient resources to deliver vision and aspirations for the district.</p>	<p>Lack of funding to deliver major projects.</p> <p>Decisions not made swiftly enough.</p> <p>Lack of public/ partnership acceptance of, and buy-in to strategies.</p> <p>Existing covenants and leases impose restrictions on scheme design.</p> <p>Multiple major projects running simultaneously- resources stretched.</p> <p>Other Council borrowing priorities/ increase in PWLB rates.</p> <p>Uncertainty surrounding major Government schemes impacting the area e.g. Arundel by-pass, Chichester by- pass.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>Inconsistent decision making leading to projects being started and then abandoned.</p>	<p>Project fails to deliver objectives on time and/ or exceeds budget.</p> <p>Developers and invested could be deterred.</p> <p>Lack of growth.</p> <p>Missed opportunities to invest in areas of development potential.</p> <p>Lack of visible progress with developments.</p> <p>Area turns into a commuter belt and is not regenerated leading to decline.</p> <p>Financial and reputational risk/ poor publicity.</p> <p>Development of Council land (car parks etc) could mean loss of income streams.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>Business closure e.g. in retail, hospitality and leisure sectors.</p> <p>The Council could face large revenue costs for aborted projects if external funding is withdrawn.</p>	Philippa Dart

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
<p style="text-align: center;">12</p> <p style="text-align: center;">(3x4)</p>	<p>Update report presented to every meeting of Policy and Finance Committee. Regular updates included in members newsletter.</p> <p>Project supported financially by external funds.</p> <p>Use of external support – project management and cost control (Mace)</p> <p>Communications – Press Releases, posters in the town/on site. Website kept up to date.</p> <p>Engagement with stakeholders (internal and external).</p> <p>Engagement with parties regarding leases and covenants.</p> <p>Project specific risk register reviewed and updated.</p> <p>Project progress reported to Project Board.</p> <p>Resourced by internal project team.</p>	<p style="text-align: center;">12</p> <p style="text-align: center;">(3x4)</p>	<p>Communications strategy in preparation for construction phase.</p> <p>Logistics review of construction phasing to minimise impact on council revenue (car parks income) and summer season generally.</p> <p>Engagement with Harvester agent regarding scheme layout.</p> <p>Cost review.</p> <p>Promotion of new concession opportunities.</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 11c	All Directorates	Major Project- Bognor Regis Arcade	<p>Failure to regenerate coastal towns within the district.</p> <p>Failure to deliver major projects in line with funder requirements meaning funding is withdrawn.</p> <p>Insufficient resources to deliver vision and aspirations for the district.</p> <p>Relationship with existing tenants.</p>	<p>Lack of funding to deliver major projects.</p> <p>Decisions not made swiftly enough.</p> <p>Lack of public/ partnership acceptance of, and buy-in to strategies.</p> <p>Multiple major projects running simultaneously- resources stretched.</p> <p>Impact of growth of Butlins and Chichester University influencing local market conditions.</p> <p>Other Council borrowing priorities/ increase in PWLB rates.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>Inconsistent decision making leading to projects being started and then abandoned.</p>	<p>Project fails to deliver objectives on time and/ or exceeds budget.</p> <p>Developers and invested could be deterred.</p> <p>Lack of growth.</p> <p>Possible legal issues from developer plans submitted before the Council consideration of schemes.</p> <p>Missed opportunities to invest in areas of development potential.</p> <p>Lack of visible progress with developments.</p> <p>Area turns into a commuter belt and is not regenerated leading to decline.</p> <p>Financial and reputational risk/ poor publicity.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>The Council could face large revenue costs for aborted projects if external funding is withdrawn.</p> <p>Need to resolve delivery/ management mechanism for residential units created.</p>	Karl Roberts

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>Briefings for members.</p> <p>Temporary employment of Head of Regeneration. (extended until 31/12/23).</p> <p>. Funding secured from Brownfield Land Fund. Other external funding opportunities being explored.</p> <p>Use of external support – Project Officers.</p> <p>Communications – Press Releases</p> <p>Engagement with Partners e.g.: University, Bognor Regis Regeneration Board, Town & Parish Councils.</p> <p>Specific project risk schedule</p>	12 (3x4)	Increased briefing & reporting to members.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 1- A	All Directorates	Financial Resilience	<p>Failure to maintain a robust and deliverable budget will lead to a lack of resources to fund services and council priorities, leading to reactive decision making and reputational consequences.</p> <p>Failure to maximise efficient use of resources and so unsuccessful redirection of resources and not achieving objectives and outcomes of the Council.</p> <p>Failure to exploit income streams/ income generating activities/ commercial opportunities.</p> <p>Increased inflation caused by utilities and supply contracts leading to significantly increased, unbudgeted costs.</p>	<p>Unpredictable Government Policy (e.g. Brexit and localisation of business rates).</p> <p>Reduction in government grants and external funding.</p> <p>Ineffective financial/ budget management and monitoring.</p> <p>Increased cost of building/ construction and maintenance.</p> <p>The outcome of the National Pay Negotiations/ Award.</p>	<p>Non- achievement of corporate priorities.</p> <p>Budget deficit.</p> <p>Forced to make savings leading to a reduction in the quality-of-service delivery.</p> <p>Increased costs and lower returns on investments.</p> <p>Minimal return from income generating activities/ commercial opportunities.</p> <p>Further pressure on demand led services e.g. benefits, homelessness etc.</p> <p>Reduction or delays in housebuilding and maintenance of corporate/ commercial buildings. Significant pressure on contracts, staff and projects.</p>	Tony Baden

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GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>The Group Head of Finance has engaged an external resource to review and develop the Council's Medium Term Financial Forecast. This will be reported to Members as part of the budget setting process and will give an updated view of the Council's overall financial position. An updated MTFP report will be presented to the October and December Policy & Finance Committee.</p> <p>Medium Term Financial Strategy (MTFS) regularly reviewed and reported to Members at the Policy & Finance Committee.</p> <p>Annual budget setting and quarterly budget monitoring of income and capital and revenue expenditure .</p> <p>Regular reports to CMT, raising awareness of our current financial position. This includes the budget monitoring report, medium- term forecast and specific service area requirements e.g. quarterly report on the HRA to CMT.</p>	8 (2x4)	<p>Officers concluded a service planning review exercise in September 2023. Proposals put forward by Group Heads are currently being discussed with the Joint Chief Executives and will hopefully lead to significant cost savings and income generation schemes, which will be reported to Members during the 2024/25 budget setting process.</p>

	<p>Capital Strategy 2021/22- 2023/24 reviewed annually.</p> <p>Continue to maximise Council tax increases.</p> <p>Control of expenditure- Approval limits and routes for additional funding are detailed in the Council's Constitution and Financial Regulations.</p> <p>Monitoring of potential changes to government policy, legislation etc.</p> <p>Sufficient reserves.</p>		
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CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 3	All Directorates	Change Management & Transformation	<p>Lack of a corporate operating model and a clear plan to achieve this.</p> <p>Failure to maintain business as usual (BAU)/ appropriate levels of service at the same time as transformation.</p> <p>Failure to implement change programmes within timescales and at the desired pace.</p> <p>Failure to deliver service improvement, efficiencies and/ or savings.</p> <p>Lack of financial resource to deliver programmes.</p> <p>Inability to re- engineer processes and systems so that they are fit for a lean and transformed council.</p> <p>Inability to secure cultural changes and engagement.</p> <p>Lack of engagement and understanding of objectives by staff and contractors.</p> <p>Lack of engagement and support for objectives by members.</p>	<p>Insufficient knowledge, skills, and resources to facilitate change.</p> <p>Insufficient management information to properly model proposed changes and impacts.</p> <p>Services unable to provide the required level of input.</p> <p>Key suppliers/ existing contractual arrangements do not enable or support transformation plans.</p> <p>Ineffective communication and engagement.</p> <p>An unstable, demotivated workforce at a time of change.</p> <p>Unmanageable workloads resulting in unsustainable pressure on existing staff.</p> <p>Political uncertainty as we approach full local elections.</p>	<p>Unachieved strategic and operational objectives and/ or overruns on time and cost.</p> <p>Poor standards of service or disruption to service.</p> <p>Staff experience stress related health issues.</p> <p>Reputational damage.</p> <p>Services that do not meet the needs of the community.</p> <p>Services that are not delivered in a modern and cost-effective way.</p>	Karl Roberts/ Philippa Dart

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
16 (4x4)	<p>Project management processes and governance in place to monitor project delivery.</p> <p>Utilisation of secondment opportunities to benefit from existing skills in project management.</p> <p>Frequent budget monitoring and the implementation of zero- based budgeting.</p> <p>Effective procurement and contracting processes in place.</p>	9 (3x3)	<p>The development of an Operating Model/ Workforce Strategy and Service reviews need to align resources with new Council Vision.</p> <p>Develop a transformation programme including processes to ensure:</p> <ul style="list-style-type: none"> The right staff with the right knowledge, skills and competencies are in place and retained for the delivery of Business As Usual (BAU) and effective transformation. Appropriate/ sufficient levels of staffing within individual projects in place to sustain BAU and to deliver transformation. Clear roles and responsibilities defined between transformation and BAU. Scrutiny of transformational programme through monthly Programme Boards.

	<p>Process for key risks identified and monitored for major projects.</p> <p>Service performance monitoring (KPIs) and management processes in place.</p> <p>Lead specialist appointed to help develop the Council's operating model.</p>		<ul style="list-style-type: none"> • Early warning signs of areas where efficiencies/ savings will not be realised (either amount or on time). • An effective communication and engagement plan is in place with stakeholders. • Effective commissioning of high- quality services. • Early identification of resource gaps and/ or redundancy costs for inclusion in project plans at an early stage. • Management of stakeholder expectations (Customer/ resident expectations vs Council's delivery model). <p>Progress will be considered when a savings strategy is developed in the autumn of 23</p>
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CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 4	All Directorates	ICT	<p>1. Loss of technology, data, and communications; through major cyber compromise.</p> <p>Detection and containment delays may mean increased damaged and increased data loss.</p> <p>A national attack will mean access to cyber experts and other government agency help may not be available.</p>	Major successful cyber- attack.	<p>Loss of all ICT facilities including back-office systems, telephony, printing, public facing systems and laptops.</p> <p>Major risk of data loss and data breaches.</p> <p>Significant disruption of service with no IT systems for staff & customers (2 to 6- month phased recovery).</p> <p>Initial outlay for new IT equipment (£m's) and loss of income / additional organisational costs may <u>not</u> be recoverable via insurance (est. £10m).</p> <p>Each day of downtime= c£90k loss of productivity.</p>	Jackie Follis
			<p>2. Loss of technology, data, and communications; through major outage of datacentre, or integral infrastructure component failure.</p>	Physical or technical failure (e.g. fire, flood, hardware or communications failure).	<p>Loss of some/ all ICT facilities including back-office systems, public facing systems, telephony, and printing.</p> <p>Limited risk of data loss, laptops word still work outside of council premises although with reduced facilities.</p> <p>Potentially a significant disruption of service with no IT systems for staff & customers (5-28- day phased recovery).</p> <p>Initial outlay for new IT equipment (£m's) and loss of income/ additional organisational costs but may be recoverable via insurance.</p> <p>Each day of downtime= c£90k loss of productivity.</p>	
			<p>3. Permission to connect to government systems such as DWP is revoked.</p>	Lack of resources / not having a current code of connection certificate. Service provider not accepting mitigations and/or remediation plan.	Unable to undertake functions requiring access to government systems e.g. benefits processing.	

		4. Supplier unable to support corporate document management system or withdraws product.	Company has been taken over, key support staff have left and we are the only user of this product (and only LG customer)	A number of service areas rely on this system for their electronic documents and without it would not be able to operate.
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GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
16 (4x4)	<p>1. Cyber protection layers, recovery facilities, air-gap backups, advance notifications and warnings, cyber training, staff security policy, staff awareness training, and cyber response plan.</p> <p>Services should have a BCP in place including scenarios for extended periods of no ICT.</p> <p>Monitor that OOH cover & contracts meet acceptable standards (CMT).</p> <p>Continually review new cyber defences and recovery approaches.</p>	8 (2x4)	<p>The impact has a major significance for the risk as it would stop almost all services the council provides for up to 6 months and could cost millions in unrecoverable costs.</p> <p>Reducing the likelihood or impact amount by any amount even if only to reduce by a point factor would be worthwhile.</p> <p>Requires new post of IT Security Officer to focus on protect and recover. This has currently been placed on hold- due to be reviewed by CMT in October 2023.</p>
12 (3x4)	<p>2. Key component redundancy by design, immutable/ off- site backups (for recovery), a limited capacity recovery site, cloud services, laptops as standard issue, website hosted externally, insurance cover for IT equipment.</p> <p>Services should have a BCP in place including scenarios for extended periods of no ICT.</p>	6 (2x3)	Accept risk and existing mitigations.
12 (4x3)	<p>3. Undertake annual IT Health Check, create and action remediation plan and submit application to Cabinet Office.</p> <p>Would need to look at another organisation to process DWP data for benefits.</p>	9 (3x3)	<p>Ensure sufficient resources allocated.</p> <p>Requires new post of IT Security Officer to focus on protect and recover. This has currently been placed on hold- due to be reviewed by CMT in October 2023.</p>
6 (2x3)	<p>4. Supplier of our corporate document management system (CCube) is unable to support our system or issues notice of retiring the product.</p>	6 (2x3)	<p>Continue dialogue with supplier</p> <p>Start looking at alternative products/ options</p> <p>Some funding is built into 2024/25 budget</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 5	All Directorates	Corporate Business Continuity	Failure in the delivery of some or all services, including statutory services	<p>Loss of buildings/ infrastructure through fire, flooding, or other serious environmental incident possibly because of climate change.</p> <p>Sudden loss of key personnel or mass loss of staff through illness e.g., pandemic.</p> <p>Industrial action.</p> <p>Breakdown in supply chain.</p> <p>Loss of power or other services.</p> <p>Significant ransomware or cyber-attacks. (See separate risk # CRR 4).</p>	<p>Inability to provide a range of key services to customers, including vulnerable customers.</p> <p>Financial loss and service disruption to customers and the Council.</p> <p>Inability to pay customers or contractors leading to loss of contractors/ suppliers reducing service provision.</p> <p>Inability to provide services leading to reputational damage.</p> <p>Possible breach of the Council's statutory duties under the Civil Contingencies Act.</p>	Philippa Dart/ Joe Russell-Wells

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>Corporate Business Continuity Plan identifying critical activities and recovery time objectives for identified priority services.</p> <p>Service Business Impact Analysis (BIA) and Business Continuity Plans (BCPs) reviewed and updated to identify critical service and IT requirements.</p> <p>BIA and BCP to be reviewed and updated annually, and when a change of service occurs.</p> <p>Reviewed by CMT at regular Performance Board meeting.</p> <p>Procurement tender processes require major contractors to have business continuity plans in place.</p> <p>Business continuity arrangements invoked/ enhanced during coronavirus crisis.</p> <p>Lessons learned through the Covid pandemic has tested mobile working arrangements.</p>	9 (3x3)	<p>Seek support from insurers or others to carry out an exercise to test BCP arrangements with an emphasis on recovery period with no reliance on IT for a minimum period to be specified.</p> <p>Continue a testing programme for BCPs to ensure they are fit for purpose. Outcomes of the reviews and lessons learnt should be used for continuous improvement.</p> <p>Staff to test and challenge their arrangements together with contractors and suppliers.</p> <p><u>Timescale – meeting to take place on 18 September to discuss and plan a training exercise</u></p> <p>Review of off-site storage of BCPs and copies retained by all senior managers. <u>Timescale – all completed existing plans are saved into the off-site storage area</u></p> <p>Consider arrangements as part of procurement strategy.</p> <p>Consider further communications with staff over business-critical risks as continual reminder.</p> <p>Recent Audit review of Corporate Business Continuity arrangements across the authority has taken place over Q4 2022-23. Report received in July 2023 which identifies a number of actions. <u>Timescales – all actions are being progressed through to completion and updates are being fed into the monthly CMT performance board meetings</u></p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 6	All Directorates	Information Governance and Data Protection	Failure to keep all personal data secure leading to a breach of the General Data Protection Regulations (GDPR) and Data Protection Act resulting in fines and reputational risk.	<p>Lack of awareness on information governance, security requirements and standards.</p> <p>Lack of training and staff/ Member awareness of requirements.</p> <p>Lack of clarity around what information is where and who is responsible for it.</p> <p>Increased information sharing.</p> <p>Increase in home and mobile working.</p>	<p>Breach of GDPR/ Data Protection legislation resulting in financial penalties/ ICO censure.</p> <p>Poor publicity/ reputational damage.</p> <p>Incident management of possible breaches will require corporate/ CMT support and will impact existing work.</p> <p>Less control over shared data.</p>	Daniel Bainbridge

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
9 (3x3)	<p>Trained resource to handle FOI/ DPA requests. Data Protection Officer appointed and trained.</p> <p>Hut Six training on data protection in place for new starters and when updates are rolled out.</p> <p>Annual mandatory DP training in place and undertaken for all staff including safe home working guidance to ensure protection and confidentiality of ADC data while working at home.</p> <p>ICO guidance on preparation for General Data Protection Regulation (GDPR) reviewed and Action Plan progressed. Additional external advice obtained and transfer to GDPR and new Data Protection Act complete.</p> <p>Data audit conducted, and policies updated for DPA/ GDPR compliance- now subject to ongoing review.</p> <p>Policy/ publication updates completed, and regular briefings provided to CMT and staff.</p> <p>Information Security Group (ISG) oversight of data protection and security compliance. ISG to review terms of reference and</p>	4 (2x2)	<p>Implementation programme/action plan Information Governance audit recommendations. This includes implementing annual DP training for Members. All recommendations to be addressed by December 2024.</p> <p>Fresh data audit needed. Asset mapping required. Process needed for ongoing review. End March 2024</p> <p>Review library of DP and FOI policies. Update where needed. Create policies where required. End March 2024</p>

	<p>membership annually.</p> <p>Data Protection incident management process developed and advised to staff/ management.</p> <p>Head of Technology & Digital and ICT Digital Manager added to delegated authority for GDPR/ DPA (to increase capacity). Availability arrangements for ICT out- of- hours incident response accepted by CMT.</p> <p>Senior Information Management Officer has obtained FOI qualification.</p> <p>Monitoring any ongoing legislative changes and implement actions as required.</p> <p>Annual review of delegations to ensure they are up-to-date to reflect current postholders and that delegations sit within the correct service areas.</p>		
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CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 8	All Directorates	Corporate Health and Safety	Failure to adhere to Health and Safety policies and procedures and legal requirements leading to death, serious injury, or life limiting illness, of an employee or third party resulting in prosecution under Health and Safety legislation, adverse publicity, fines, and possible prison sentences. Such failures may also lead to civil claims for compensation.	<p>Inadequate health and safety arrangements.</p> <p>Lack of awareness of Health and Safety policies, procedures, and responsibilities.</p> <p>Inadequate capability, competence and/or training of managers and staff on health and safety.</p> <p>Insufficient resources or capacity to manage health and safety.</p> <p>Lack of staff training.</p>	<p>Death, injury or life limiting illness, to staff or third party resulting in prosecution under Health and Safety legislation.</p> <p>Other enforcement action causing prohibition/closure or interruption of service or activity.</p> <p>Reputational damage/ poor publicity.</p> <p>Corporate manslaughter prosecution.</p> <p>Fines and possible prison sentences.</p> <p>Civil claims for compensation.</p> <p>Regulatory censure/ intervention.</p>	Nat Slade

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GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>Adopted and published health and safety policies, and procedures and guidance are available to all staff via the intranet. The Council Health & Safety Policy includes detailed responsibilities.</p> <p>Safety Management Programme tasks issued monthly, to manage service level risks.</p> <p>Corporate health and safety support function within Environmental Health.</p> <p>Quarterly reports on health and safety provided to CMT. Monthly KPI (CP6).</p> <p>Corporate health and safety commentary on committee reports.</p> <p>Internal Audit of Corporate Health & Safety July 2022.</p>	8 (2x4)	<p>Introduce manager health & safety induction training. Unable to progress at present due to resource constraints (additional post was not approved), however we will look to include some manager specific training within the training courses bought-in using the £20k of additional funding by the end of March 2024. The result of the training and its impact on the Net Risk score will be monitored.</p> <p>Introduce corporate health and safety training programme. Work is already being undertaken on this with Adele, and a number of potential training platforms are being reviewed. Target to commence initial phase of training- End January 2024.</p> <p>Review the safety management programme. Unable to carry out a comprehensive review at present due to resource constraints (additional post was not approved), however we have adopted use of the MS Forms for tasks (where possible) to make the tasks more user friendly and easier/ quicker to complete.</p> <p>Introduce an annual health and safety verification/assurance programme. Unable to proceed at present due to resource constraints (additional post was not approved). We will endeavour to utilise any underspend on the £20k following implementation of the training programme towards</p>

			<p>audits/ assurance, however the ability to organise and supervise any assurance scheme may be limited by the current resource allocated to corporate health & safety. In 2023/24 we have already committed to provide assurance on the reception risk assessment and arrangements. Target to confirm scope/ capacity for an annual audit assurance plan (subject to remaining funds) by 31 March 2024.</p> <p>Audit action plan is complete, except for review of SMP tasks and risk areas which is in progress and being informed by the August SMP task. Target to complete End December 2023.</p> <p>Develop health and safety culture and communications. Unable to proceed due to resource constraints (additional post was not approved).</p>
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CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 9	All Directorates	Equality & Diversity	<p>The Council fails to meet its statutory obligations under the Equality Act 2010.</p> <p>Insufficient resource is put in place to ensure equality and diversity requirements are mainstreamed and embedded.</p> <p>Services areas may focus on what they consider their core business and consider equality and diversity less relevant/ important.</p> <p>Staff are not protected and as a result are subjected to unacceptable behaviour/ treatment.</p>	<p>Lack of consistent council- wide knowledge on Public Sector Equality duty and how to take equalities into consideration.</p> <p>Gaps in available data and analysis to understand potential impacts of decision making.</p> <p>Compliance driven rather than understanding based on good analysis.</p> <p>High turnover of staff resulting in loss of knowledge/ institutional memory loss.</p> <p>Overall budget pressures. Other priorities require funding.</p> <p>Some funding is in place, but it is not sufficient to meet all aspirations.</p> <p>Insufficient prioritisation/ competing against other priorities corporately and within service areas.</p> <p>Lack of or inconsistent ownership within or across service areas.</p>	<p>Challenged in court via Judicial review for failing to meet equalities duties.</p> <p>Negative Impact on staff morale and performance if the work environment is not perceived to be equitable.</p> <p>Our aspirations are not achieved, and this could result in stakeholders' concerns not being addressed.</p> <p>Compliance failure within some service areas.</p> <p>Financial implications of non- compliance resulting in legal action at Employment Tribunal or civil action for external issues. Worst case scenario is that there is no financial limit on discrimination remedy at an ET.</p> <p>Reputational damage.</p>	Jackie Follis

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
<p style="text-align: center;">12 (3x4)</p>	<p>By the nature of the services delivered by the Council, policies and procedures are designed to be inclusive. As a result equality, diversity and inclusion requirements are automatically captured and addressed.</p> <p>Consultation on Council services and projects enables equality and diversity feedback to be obtained and considered where appropriate.</p> <p>Staff and Customer satisfaction surveys are undertaken providing an opportunity for weaknesses to be highlighted and addressed.</p> <p>The Council has a specific section on the Committee Report Template ((Section 13: Equalities Impact Assessment (EIA)/ Social Value) to ensure that equality and diversity is considered as part of the decision- making process. Any comments completed within this section will be reviewed by an appropriate officer prior to going to committee.</p> <p>The Council's Complaints Procedure provides an opportunity for equality and diversity weaknesses/ failings to be highlighted and monitored, addressed and lessons learnt to be carried forward.</p> <p>The Council has strong Human Resource policies and procedures that support equality and diversity, for example:</p> <ul style="list-style-type: none"> • Dignity at work, • Equality, diversity and inclusion policy, • Recruitment <p>Mandatory online equalities and diversity refresher training is provided to all staff every two years. Annual training carried out for new starters.</p> <p>Awareness training is offered to all members when they are elected (but with limited take-up).</p> <p>Annual monitoring of equal opportunities recruitment is undertaken.</p> <p>The Council's Customer of Concern Register aims to protect staff against unacceptable behaviour/ treatment.</p>	<p style="text-align: center;">8 (2x4)</p>	<p>An equalities and diversity assessment/ review was planned to ascertain what service areas currently do to ensure compliance. This action cannot be completed within existing resources and will be removed as a further action.</p> <p>Strongly encourage awareness training for all members following local elections in 2023 and annually thereafter.</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 12	Directorate of Environment and Communities	Homelessness	Increase in homelessness presentations. Homelessness demand exceeds resources available.	Not being able to meet the homelessness need. Lack of suitable Emergency Accommodation and available Temporary Accommodation. Private Sector housing market becoming more expensive. Increased complex homeless presentations. Impact of the cost-of-living increases demand. Increases in mortgage rates lead to more housing repossessions.	Inadequate resource to manage the number of presentations. Legal challenge. Children being subject to homelessness. Vulnerable people (disabled, elderly, chronically ill etc.) being subject to homelessness.	Moh Hussein

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
16 (4x4)	<p>Effective planning and deployment of resources.</p> <p>Timely decision making and effective casework management by Housing Options Officers.</p> <p>Regular monitoring of caseloads by the Team Leader.</p> <p>Flag to Senior Management Team.</p>	9 (3x3)	<p style="background-color: yellow;">Aim to increase supply of accommodation for those who are homeless/ threatened with homelessness- acquire 7 new units by March 2023 through LAHR scheme.</p> <p style="background-color: yellow;">Acquire a further 6 plus units of supporting accommodation through the SHAPS scheme by March 2025.</p> <p style="background-color: yellow;">Review the possibility of a temporary adjustment to the allocation policy to prioritise households in TA; complete the review by end of September.</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 13	Directorate of Environment and Communities	Housing	Delayed or non- implementation of the new housing management system Cx.	<p>Poor project management.</p> <p>Interface/API solution delays with partners.</p> <p>Reduced project team resources/sickness/absence/resignations.</p> <p>Lack of, or changes in decision making.</p> <p>Lack of service level expertise.</p> <p>Contractual issues.</p> <p>Additional costs.</p>	<p>Reputational damage.</p> <p>Inability to deliver services.</p> <p>Inability to collect payments.</p> <p>Inability to set rents.</p> <p>Inability to create and end tenancies.</p> <p>Reduced service to tenants.</p> <p>Missed opportunity for service improvement.</p> <p>Coming to the attention of the Housing Ombudsman & Regulator for Social Housing.</p>	Moh Hussein

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>Change in project manager via 3C consultants to give improved governance and direction to the project.</p> <p>Backfills completed for the project team, less requirements on them from their day-to-day roles.</p> <p>New project manager working closely with Civica and will escalate within Civica and Arun if the project plan timescales look at risk.</p> <p>Project plan includes more time for testing, build, data passes and realistic contingency based on previous projects of this type.</p>	4 (2x2)	Recruitment of a new project officer to support Civica Project- to be recruited by end October 2023.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 15	Directorate of Environment and Communities	Housing	Ineffective complaints management.	High staff turnover. Lack of training. Lack of procedure. Lack of lessons learnt reviews.	Reputational damage. Poor relationship with tenants. Missed opportunity for service improvement. Complaints escalation. Non-compliance with the Ombudsman complaint handling code. Coming to the attention of the Housing Ombudsman & Regulator for Social Housing.	Moh Hussein

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
9 (3x3)	<p>Adherence to the Corporate Complaints Procedure requires the Council to have clear mechanisms in place for tenants to complain, and to respond to complaints promptly and effectively.</p> <p>The Corporate Complaints process has been revised with complaints being handled/ investigated within the service area. This increases awareness, accountability, and responsibility enhancing the potential for service area improvements. Resource implications of the revised process are being monitored and addressed.</p> <p>Correct culture on complaints handling means complaint resolution is well managed and actions are clearer.</p> <p>Staff training workshop completed in July 2023 with periodic refresher training. This includes policy awareness training including the positive benefits from complaints and consideration of Ombudsman complaints/ guidance.</p>	6 (2x3)	

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 16	All Directorates	Chief Executive resignation/ vacancy	<p>Delayed or unsuccessful recruitment of replacement Chief Executive.</p> <p>Gaps in the delegation of decision- making, responsibility, and accountability.</p>	New administration wishes to explore all appropriate options regarding recruitment as part of the recruitment process.	<p>Breach of statutory obligations.</p> <p>Increased accountability, responsibility and pressure on directors and senior management.</p> <p>Lack of or reduced representation on external bodies.</p> <p>Strategic decisions delayed including transformation.</p> <p>Potential delay in delivering a significant improvement to the net budget position and implementation of Target Operating Model.</p> <p>Staff uncertainty and low staff morale.</p> <p>Reputational issues.</p> <p>Negative public perception.</p>	Karl Roberts/ Philippa Dart

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GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
16 (4x4)	<p>Robust recruitment process.</p> <p>Communication with staff to provide assurance.</p> <p>Communication with the public/ press releases.</p> <p>Secure political support for implementation of measure for early action on delivering a significant improvement to the net budget position and implementation of Target Operating Model.</p> <p>Appointment of current Directors as joint interim CEO's.</p>	8 (2x4)	The decision of the Chief Executive's Recruitment and Selection Panel will form a recommendation to Full Council in January 2024.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 17 (ORR 54)	Growth	Disabled Facilities Grant	<ul style="list-style-type: none"> Potential for government to clawback ~300K pa from 2020 onwards of Better Care Fund grant that is used on salaries of PSH team staff delivering adaptations, county project manager salary & countywide minor repairs contract and countywide deep clean contract 	<ul style="list-style-type: none"> Ambiguity over use of Better Care Fund on revenue exacerbated by non-statutory DLUHCs guidance produced by Foundations. 	<ul style="list-style-type: none"> Detriment to Council's financial position – reduction of reserves. 	Nat Slade

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
4 (1x4)	<ul style="list-style-type: none"> Risks applicable to all District & Borough Councils within the West Sussex Adaptations Project. Risks outlined by joint Project Manager considered by the inter-authority project Steering Group – recommendation made by Steering Group to WSCEO Group in June 2022 who decided to accept the risk and proceed with project. 	4 (1x4)	None identified.

REMOVED: CRR 14 removed from the Corporate Risk Register: it is deemed that this risk is now being managed to an acceptable level and can now be managed solely at a Service Area level. Now business as usual.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 14	Directorate of Environment and Communities	Housing Repairs	Compliance Failings	Housing continues to be under notice by the Regulator for Social Housing.	Regulator takes over compliance. Budget pressures to resolve with urgency. Reputational damage. Tenant complaints. Risk of serious incidents increased.	Moh Hussein

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
4 (1x4)	Robust contract evaluation. Regular financial checks. Have alternative suppliers/ framework in reserve Appointed different gas contractors for Domestic and Commercial Contracts so have built in back up should one fail. Monthly contract review meetings.	4 (1x4)	These measures have been established. Activity is undertaken to a program and continues to be managed and reviewed closely.

REMOVED: CRR 18 removed from the Corporate Risk Register: An auditor has now been identified for the housing benefit subsidy

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 18	Finance	Housing Benefit Subsidy 2023/24	Delayed audit of the housing benefit subsidy	<p>External audit resource shortages (this applies to other local authorities and is not unique to Arun).</p> <p>Delays in the procurement/ appointment process.</p>	<p>Reimbursement of the housing benefit subsidy is denied or delayed. (Total value of the subsidy is c.£35- £45m for 2023/24).</p> <p>Financial penalties or sanctions- potential for 1 month's subsidy to be held back (approx. £2.5m).</p> <p>Budget implications.</p> <p>Reputational damage.</p>	Tony Baden

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>Procurement advice from Hampshire County Council.</p> <p>Procurement process has now completed, and an auditor has been identified.</p> <p>Liaise with the DWP to provide assurance that action has been taken and complete the audit process as soon as possible.</p>	4 (1x4)	None.

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AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME – 2023/2024

Date of Meeting: 30 November 2023		
Subject	Lead Officer / Member	Comments
External Audit		
2021/22 External Audit Progress Update	Ernst & Young	Verbal update Covering the audit of the 2021/22 Accounts
2022/23 External Audit Update	Ernst & Young	Verbal update Covering the audit of the 2022/23 Accounts
Treasury Management		
Treasury Management Mid-Year Report	Senior Accountant (Treasury Management)	Recommendations for approval by Full Council
Internal Audit		
Progress Against the Audit Plan	Southern Internal Audit Partnership	
Governance Framework		
Updates to Corporate Risk Register	Finance & Risk Manager	
Work Programme		
To agree the rolling work programme for 2023/24		Updates, etc.

Date of Meeting: 27 February 2024		
Subject	Lead Officer / Member	Comments
External Audit		
Auditor's Annual Report	Ernst & Young	Covering the audit of the 2021/22 Accounts TBC
Audit Planning Update	Ernst & Young	Covering the audit of the 2022/23 Accounts
Statement of Accounts		
Approval of Accounting Policies 2023/24	Group Head of Finance	If CIPFA advise of any changed requirements, then an update will be provided at the next meeting
Treasury Management		

**AUDIT & GOVERNANCE COMMITTEE
WORK PROGRAMME – 2023/2024**

Treasury Management Strategy Statement and Annual Investment Strategy	Senior Accountant (Treasury Management)	For approval by Full Council (13 Mar 2024)
Internal Audit		
Internal Audit Charter	Southern Internal Audit Partnership	
Annual Internal Audit Plan 2024/25	Southern Internal Audit Partnership	
Progress Against the Audit Plan	Southern Internal Audit Partnership	
Governance Framework		
Updates to Corporate Risk Register	Finance & Risk Manager	
Other Items		
Independent Remuneration Panel – Recommendations Following Review of the Members' Allowances Scheme	Committee Services Manager	
Annual update on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA)	Group Head of Law & Governance	
Regulation of Investigatory Powers Act (RIPA) Policy and Guidance	Group Head of Law & Governance	
Work Programme		
To agree the rolling work programme for 2024/25		

February meeting has to be timed so that Treasury Management Strategy can be approved by Full Council before 31 March each year

Date of Meeting: xx July 2024 (TBC)		
Subject	Lead Officer / Member	Comments
Statement of Accounts		
Annual Statement of Accounts 2022/23 and Letter of Representation	Group Head of Finance	TBC
Final Annual Governance Statement 2022/23	Group Head of Finance	TBC
Draft Annual Governance Statement 2023/24	Group Head of Finance	Draft version to be considered by Committee (final version will be presented with the Annual Accounts)

**AUDIT & GOVERNANCE COMMITTEE
WORK PROGRAMME – 2023/2024**

External Audit		
Audit Results Report	Ernst & Young	Covering the audit of the 2022/23 Accounts TBC
Governance Framework		
Updates to Corporate Risk Register	Finance & Risk Manager	
Treasury Management		
Treasury Management Annual Report 2023/24	Senior Accountant (Treasury Management)	Recommendations for approval by Full Council
Internal Audit		
Annual Internal Audit Report & Opinion 2023-2024	Southern Internal Audit Partnership	
Other Items		
Progress update on housing tenancy fraud	Neighbourhood Services Manager	Annual update as requested by the Committee
Counter-Fraud Report 2023/24	Group Head of Finance	TBC
Work Programme		
To agree the rolling work programme for 2024/25		

Date of Meeting: xx September 2024 (TBC)		
Subject	Lead Officer / Member	Comments
External Audit		
Response to E&Y on annual assurance letter regarding governance arrangements	Committee Chair	Letter to be sent to external audit
Internal Audit		
Progress Against the Audit Plan	Southern Internal Audit Partnership	
Treasury Management		
Treasury Management Interim Report	Senior Accountant (Treasury Management)	
Governance Framework		
Updated Risk Management Framework	Finance & Risk Manager	
Updates to Corporate Risk Register	Finance & Risk Manager	

**AUDIT & GOVERNANCE COMMITTEE
WORK PROGRAMME – 2023/2024**

Work Programme		
To agree the rolling work programme for 2024/25		

Date of Meeting: xx November 2024 (TBC)		
Subject	Lead Officer / Member	Comments
Treasury Management		
Treasury Management Mid-Year Report	Senior Accountant (Treasury Management)	Recommendations for approval by Full Council
Internal Audit		
Progress Against the Audit Plan	Southern Internal Audit Partnership	
Governance Framework		
Updates to Corporate Risk Register	Finance & Risk Manager	
Other Items		
Annual update on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA)	Group Head of Law & Governance	
Review Of The Partnerships Register	Group Head of Organisational Excellence	
Work Programme		
To agree the rolling work programme for 2024/25		Updates, etc.

Other items to be considered in Work Programme:-

Independent Members' Remuneration Panel

- Recruitment / appointments
- Proposals for / progress of review
- Report on review / proposals for change to be passed by A&GC to Full Council

Relevant policy reviews, updates, etc.