



AGENDA

GOVERNANCE AND AUDIT COMMITTEE

Wednesday, 4th March, 2009, at 10.30 am Ask for: **Andrew Tait**
Darent Room, Sessions House, County Hall, Telephone
Maidstone

01622 694342

Tea/Coffee will be available 15 minutes before the start of the meeting

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1. Substitutes
2. Declarations of Interest by Members for items on the agenda for this meeting
3. Minutes - 2 December 2008 (Pages 1 - 4)
4. Internal Audit Progress Report (Pages 5 - 44)
5. Internal Audit Reporting - Irregularities (Pages 45 - 46)
6. 2009/10 Internal Audit Plan (Pages 47 - 68)
7. External Audit Progress report (Pages 69 - 80)
8. Audit Commission Internal Audit Review 2007/08 (Pages 81 - 90)
9. Audit Commission Review of Use of Resources (Pages 91 - 100)
10. Directorate Risk Registers (Pages 101 - 178)
11. An Anti Fraud Strategy for KCC (Pages 179 - 210)
12. Data Quality (Pages 211 - 224)
13. KCC Annual Complaints Report 2007/08 (Pages 225 - 264)
14. Health, Wellbeing and Attendance Action Plan (Pages 265 - 284)
15. Superannuation Fund Audit Plan for 2008/09 (TO FOLLOW)
16. IT Solutions for the provision of key services (Presentation on the response to a key risk identified by Committee Members)

17. Other items which the Chairman decides are urgent

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Tuesday, 24 February 2009

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL**GOVERNANCE AND AUDIT COMMITTEE**

MINUTES of a meeting of the Governance and Audit Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 2 December 2008.

PRESENT: Mr C G Findlay (Chairman), Mr R L H Long, TD (Vice-Chairman), Mr D L Brazier, Mr A R Chell, Ms A Harrison (Substitute for Mrs M Newell), Mr W A Hayton, Mr J F London, Mr W V Newman, DL, Mr R J Parry, Mr D Smyth, Mr M V Snelling and Mr R Tolputt.

ALSO PRESENT: Mr M J Northey.

OFFICERS: Ms L McMullan (Director of Finance), Mr N Vickers (Head of Financial Services), Mrs D Mattingly (Corporate Risk & Insurance Manager), Mr I Clark (Group Leader), Ms J Dawson (Head of Audit and Risk), Mr S Davis (Audit & Risk), Mrs C Dodge (Corporate Access To Information Coordinator), Ms J Hill (Performance Manager) and Mr A Tait (Democratic Services Officer).

ALSO IN ATTENDANCE: Mr D Wells and Mr G Brown of the Audit Commission

UNRESTRICTED ITEMS**33. Minutes - 17 September 2008**
(Item 3)

RESOLVED that the Minutes of the meeting held on 17 September 2008 are correctly recorded and that they be signed by the Chairman.

34. Progress report on the position with Icelandic Banks (Oral Update)
(Item 4)

(1) The Head of Financial Services gave an oral update on the position with Icelandic Banks. He said that the County Council's creditor status was favourable under Icelandic Law and that there were grounds for cautious optimism that the monies invested should be recoverable, although in some instances this process might take a few years.

(2) The Head of Financial Services informed the Committee that the County Council's Treasury Strategy had been modified in the light of recent events in that all new money would be invested in the Government Debt Management Office for high security.

(3) The Director of Finance explained that the Government had agreed that the Impairment requirement (whereby the Authority needed to include all potential losses in its budgetary process) had been suspended for a two year period in respect of the losses sustained through investment in Icelandic Banks.

(4) RESOLVED that the report be noted.

35. The effectiveness of the Governance and Audit Committee
(Item 5)

RESOLVED that:-

- (a) the report be noted; and
- (b) Members of the Personnel Committee be invited to attend the next meeting of the Committee to consider the report on "Whistle Blowing."

36. Corporate Governance Performance Indicators
(Item 6)

RESOLVED that: -

- (a) the report be noted; and
- (b) a report on Levels of Sickness be presented to the next meeting of the Committee.

37. Ombudsman Complaints
(Item 7)

RESOLVED that the report be noted.

38. Further steps being undertaken to strengthen the County Council's overall Risk Management
(Item 8)

RESOLVED that:-

- (a) the report be noted; and
- (b) a further report on risk registers be presented to a future meeting of the Committee to enable further consideration of Risk Appetite.

39. Internal Audit Reporting
(Item 9)

RESOLVED that the report be noted.

40. Internal Audit Reporting - Irregularities
(Item 10)

RESOLVED that the report be noted.

EXEMPT ITEMS
(Open Access to Minutes)

Members resolved that under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

41. Presentation on key financial and economic risks
(Item 13)

(1) The Director of Finance gave a presentation on key financial and economic risks facing the County Council.

(2) Members of the Committee suggested further risks which they believed should be identified as key risks. These included third party contractors, the capacity to cope with unknown risks and the effects of the current economic climate on property values and income generation.

(3) RESOLVED that the report be noted.

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By: Charles Findlay - Chairman of Governance & Audit Committee
Lynda McMullan – Director of Finance
To: Governance and Audit Committee – 04 March 2009
Subject: INTERNAL AUDIT PROGRESS REPORT
Classification: Unrestricted

Summary: This report summarises the outcomes of Internal Audit activity.

FOR INFORMATION AND DECISION

INTRODUCTION

1. This report contains the outcome of Internal Audit's work completed during November and December 2008 and January 2009. Assurances are provided in accordance with the definitions of Internal Audit assurance levels shown in Annexe H.

13 audits were completed in this period, which are listed in the table at Annex C together with a brief description of the audits.

IRREGULARITIES

2. Since the end of October four cases of suspected irregularity have been reported, each involving either KCC finances or business processes. Two irregularity investigations have been concluded during this period and details are shown at agenda item 9.

PROGRESS REPORT

- 3 Key points in the report

Pages 3 and 4 show details of the changes and additions to the 2008/09 audit plan.

Annex A shows the audits in the 2008/09 audit plan that have started, are at draft report stage and completed as at 31 January 2009. The percentage of the audit plan completed as at the 31 January is 69%.

Annex C details a summary of each of the audits completed in the period, this includes some audits that were brought forward from the previous year's plan.

Annex D details summaries and directorates' responses for audits where a 'minimal' assurance was given.

Other Matters

4 Clearing draft reports

Members will have noted from the quarterly progress report that draft reports are not always cleared within the agreed response time. To address this, Internal Audit has produced a report with recommendations for improving the process. This includes a 'traffic light' system to highlight the amount of time that responses are outstanding, and a process to inform senior management of outstanding draft reports in their Directorate. A report on the status of outstanding draft reports will be presented quarterly to the Finance Strategy Board and monthly to the Resource Directors meeting.

Recommendation

5. Members are asked to note this report.

Janet Dawson
Head of Audit & Risk
Ext: 4614
16 February 2009

Changes to 2008/09 Audit Plan

To ensure that Internal Audit is able to keep up to date with current issues, respond to changes (eg in risks, developing systems etc) and directorate requests the Internal Audit plan is designed to be flexible.

The tables on the following pages give details of the changes to the 2008/09 audit plan, for example where audits have been deferred, will no longer take place, the scope has significantly changed or where additional work not included in the original plan has been carried out.

For Members information, the Internal Audit Section has not been fully staffed throughout the year. One of the Audit Managers has retired, and although a large proportion of that job is now covered by the ICT contract, a proportion of that job has now been taken on by other Audit Managers in the Section. The actual number of days delivered (at the 31 January 2009) is 45 days less than the number planned. However, Internal Audit has ensured that the work covered is sufficient to enable assurance on the Council's internal controls, management of risks and governance arrangements to be given for 2008/09.

Audits included in the 2008/09 Audit Plan

| Reference | Planned Audit | Reason for change | |
|--------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------|
| AW06 | ICT Management | Substituted for Business Continuity Planning audit | 20 |
| AW08 | Third Party ICT Service Provision | Substituted for ICT risk Assessments work – involved workshops with representatives of directorates. | 20 |
| CED06 | Property Management System Security | As above | 20 |
| S11 | Partial Exemption | Partial exemption including a review of VAT as part of AR audit | 10 |
| CFE04 | School Meals | No longer considered a high risk area, substituted for work carried out at school with potential deficit. | 30 |
| CFE08 | PLASC | Substituted for other work carried out in CFE, inc follow ups to two previous irregularity investigations and a management investigation. | 60 |
| CMY01 | Adult Education Budget Management | Substituted for Registration service Income | 15 |
| CMY04 | Turner Contemporary Charitable Trust | Not ready to be audited yet as the Trust is in the process of being set up. Substituted for Coroners imprest accounts at management request. | 30 |
| KASS07 | Performance and QA statistics – data quality | Substituted for transitional arrangements for Learning disability client group from Health to Social Care. | 25 |
| KASS08 | Preventative services | A review is now being carried out by CSCI. | 30 |
| ER02 | Kent Thameside | Substituted for AONB financial controls audit. | 30 |
| ER03 | KHS Restructure | Substituted for KHS review of costing processes. | 30 |
| ER04 | Midas Replacement | Replacement not yet identified. Project should commence in 2009/10 | 25 |
| ER07 | Allington Incinerator | Not fully functional, therefore insufficient data to examine | 25 |
| Total | | | 370 |

Additional Work

| Reference | Audit/additional work | Comments | Days |
|------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| AW09 | Business Continuity Planning | Substituted for ICT Management (AW06). | 25 |
| AW10 | ICT Risk Assessment | To identify and map risks and controls in the IT environment. Substituted for Third Party ICT Provisions (AW08) and Property Management System (CED06). | 28 |
| AW11 | PSA Certification | Verification of performance data that substantiates claims for PSA grant claim. | 28 |
| S06 | Accounts Receivable | Additional days spent on VAT to ensure correct VAT indicators are used when billing for income. Substituted for Partial Exemption (S11) | 5 |
| S012 | Overtime Payments | Follow up to Overtime Audit carried out in 2008/09 | 15 |
| CFE | Working with CFE re a deficit at a school. | Substituted for PLASC (CFE08) | 30 |
| CFE | Follow up to two previous investigations at schools. | Substituted for PLASC CFE08 | 12 |
| CFE | Assisting CFE with a Management investigation. | Substituted for PLASC (CFE08) | 35 |
| CFE | Data Handling | Review of security of data following incident where some data was viewable by another local authority. | 5 |
| CMY06 | Use of Coroners' Imprest Accounts | Management request re concerns over controls of the use of imprest accounts. | 12 |
| CMY07 | Registration Service Income | Substituted for Adult Education Budget Management (CMY01) | 15 |
| KASS10 | SWIFT System Security | Follow up to interim audit carried out in 2007/08 | 10 |

| Reference | Audit/additional work | Comments | Days |
|------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| KASS 11 | Transitional arrangements for transfer of Learning disability client group from Health to Social Care. | Substituted for Performance and QA statistics (KASS07) | 25 |
| KASS | Working with KASS on Client Billing project; Direct Payments, Self Directed Support and Transaction Data Matching (TDM). | Attendance on a number of working groups. | 12 |
| KASS | Client Billing | Review of processes following errors on 'billing run'. | 5 |
| ER03 | KHS – review of costing process | Scope changed from review of the adequacy of governance arrangements following restructure to detailed review of costing arrangements. Substituted for KHS restructure (ER03) | 25 |
| ER10 | Kent Downs Area of Outstanding Natural Beauty – audit of financial controls | Substituted for Kent Thameside (ER02). | 10 |
| ER | Stour Street | Review of security arrangements following theft from a decommissioned building | 5 |
| ER | Cleaner Kent | Joint audit review/VfM. | 5 |
| Grant Claims | Various | Additional grant claim work | 18 |
| Total | | | 325 |

| Ref | Audit | Description | Planned Start | Audit commen ced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------|---------------------|---------------------|-----------------|-----------------------------------------------------------------|
| 07/08 | Overtime Payments | To provide assurance that overtime payments are appropriately authorised and paid accurately and promptly | Q1 | 24 April 2008 | 23 May 2008 | 28 Nov 2008 | Minimal | Follow up audit planned for February 2009. |
| 07/08 | WAMS financial management | An audit of financial controls within the KHS procurement and ordering system (WAMS) | Q1 | 1 April 2008 | 15 May 2008 | Jan 2009 | Minimal | Follow up audit planned for Q1 2009/10 |
| AW01 | Corporate Governance Overview Health Check | Ongoing assurance is required. Work to include high level review of corporate governance arrangements against best practice and will also consider adequacy of processes underpinning Governance Statement. Include follow-up of prior year report. | Q4 | | | | | |
| AW02 | Risk Management | Work to build on the high level review undertaken in 2007/2008 to focus on the adequacy of corporate risk management arrangements and the linkages between; Business planning, Performance appraisal, Budgeting processes. | Q3 | | | | | Postponed until Q4 to enable recommendations to be implemented. |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|---------------------|--------------------|---------------------------------------------------------------------|
| AW03 | Governance of individual partnerships | Work to build on audit undertaken in 2007/08. Focus to include, follow up on progress made against previously agreed management actions. Assess level of compliance with policies and procedures in a sample of major/significant partnerships. | Q2 | 7 July 2008 | 13 Nov 2008 | | | Report to go to Resource Directors for responses to recommendations |
| AW04 | Contract monitoring and tendering process | Review of tendering procedures and contract monitoring. Scope to include, processes for tender evaluation and selection of suppliers, review of processes to manage key contracts, quality assurance of suppliers processes. The individual contracts that are reviewed will include Building Schools for the Future (BSF) and Highways contracts. | Q2/3 | Sep 2008 | 15 Jan 2009 | | | Draft report issued for KHS component. BSF work in progress. |
| AW05 | Access to Information | A review of controls in place to ensure council wide compliance with access to information legislation, including freedom of information and environmental regulation requests. | Q1 | 6 May 2008 | 19 Aug 2008 | 19 Sep 2008 | Substantial | Audit finalised |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|---------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------|
| AW06 | ICT Management | Follow on audit from ICT Governance | Q4 | | | n/a | n/a | Substituted for Business Continuity Planning & deferred until 2009/10 |
| AW07 | Data Management Arrangements | Review and assurance over implementation of data quality policy council wide, with a focus on management arrangements of critical/sensitive data, including testing to validate controls in place and review of existing guidance available to staff on acceptable practice for data handling. | Q3 | 15 Oct 2008 | | | | Audit ongoing |
| AW08 | Third party ICT Provision | Review the contractual arrangements for the provision of ICT services by third parties to business-critical computer systems. Sample to be agreed with management prior to audit. | Q3 | | | | | Scoping meeting held audit deferred until Q4 |
| AW09 | Business Continuity Planning | A review of Business Continuity Planning and Disaster Recovery arrangements. | Q2/3 | 7 Oct 2008 | 11 Jan 2009 | | | |
| AW10 | ICT Risk Assessment | To map risks and controls in the ICT environment | Q2/3 | 24 Sept 2008 | | | | Workshops now complete initial ICT risk registers have been circulated to Directorates for comment. |
| AW11 | PSA Certification | Certification of grant claim and verification of performance data. | Q3 | 2 Oct 2008 | n/a | n/a | Certificate signed 28 Jan 2009 | Audit finalised |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-----|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|--------------------------------------------------------------------------------|
| S01 | Year End Accounting | Assurance that income and payments are accounted for in the correct financial year. | Q1 | 7 April 2008 | 9 May 2008 | 22 July 08 | Substantial | Audit finalised |
| S02 | Bank Reconciliations | Assurance that income and payments are accounted for in the correct financial year | Q3/Q4 | | | | | |
| S03 | Local Area Agreement Certification | Annual review to validate the completeness and accuracy of LAA spend. | Q1 | 21 May 2008 | | n/a | n/a | Review to validate the completeness and accuracy of LAA spend. Audit finalised |
| S04 | Fixed Assets | Systems based approach considering key risk exposures. Include mapping of key control areas. | Q4 | 4 Feb 2009 | | | | |
| S05 | Accounts Payable | A review to provide assurance that accurate timely payments are made which are only to bona fide creditors for goods and services received by the Council. | Q2 | 28 July 08 | 24 Oct 2008 | 9 Jan 2009 | Substantial | Audit finalised |
| S06 | Accounts Receivable | Systems based approach considering key risk exposures. Include mapping of key control areas and liaison with external audit requirements | Q3 | 3 Dec 2008 | | | | |
| S07 | Treasury Management | Systems based approach considering key risk exposures including mapping of key control areas and review of a large number of transactions. | Q4 | Oct 2008 | 30 Jan 2009 | | | |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------|---------------------|---------------------|-----------------|-------------------------------------------------------------------------------------------------------------------|
| S08 (a) | Payroll Allowances | Substantive "Cradle to Grave" approach, following through samples of payments for example, allowances paid to staff. | Q3 | 3 Nov 2008 | 14 Jan 2009 | | | |
| S08 (b) | Payroll Amendments | Substantive "Cradle to Grave" approach, following through samples of payments for example, permanent and temporary changes to pay. | Q3 | 3 Dec 2008 | | | | |
| S09 | Insurance Fund | A review to provide assurance on the adequacy, efficiency and effectiveness of controls operating to mitigate the risks within the operation of the Insurance Fund. | Q1 | 16 June 2008 | 20 Aug 08 | 22 Sept 2008 | High | Audit finalised |
| S10 | Revenue Budget Monitoring | Directorate revenue budget monitoring in KASS. To provide assurance that revenue budgets are well controlled. | Q2 | 28 August 08 | 7 Nov 2008 | 8 Dec 2008 | High | Audit finalised |
| S11 | Partial Exemptions | A review to provide assurance around the processes in place to ensure the accuracy of the VAT partial exemption calculation. | Q3 | | | n/a | n/a | <i>Not applicable in 2008/09 Deferred until 2009/10. Additional work will be carried out on AR audit.</i> |
| S12 | Follow up to Overtime Payments | Follow up to audit carried out in 2007/08. | Q3 | 5 Feb 2009 | | | | |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

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|-----------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|-------------------------------------------------|
| CED01 | Energy Procurement | Review of the revised energy procurement process to ensure that risk assessment and controls are in place to ensure compliance with legal requirements and the authority's Code of Practice. | Q4 | 12 Jan 2009 | | | | |
| CED02/ CED03 | Operating System Security (Windows XP) | Review of operating system security, administration, support and maintenance procedures (as extension of network security review 2007/08). This will be done as one audit | Q3 | 19 Jan 2009 | | | | |
| CED04 | Kent Public Service Network (KPSN) Project Part 2 | A review to assess the project management processes and procedures in place to manage system development activities to ensure the successful delivery of the new KPSN. | Q2 | 30 July 08 | 4 Nov 2008 | | | <i>Awaiting one response to finalise report</i> |
| CED05 | Oracle Application Security | Oracle application security controls covering Oracle system embedded controls configured in the system design within selected modules as identified from the previous 0708 Oracle Application Security audit. | Q3 | 25 Nov 2008 | | | | ToR agreed |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------|
| CED06 | Property Management System Security | Property Management application security controls, includes users' access rights, web access and segregations of duties. | | | | n/a | n/a | Substituted for ICT risk assessment work. Deferred until 2009/10 |
| CED07 | One – Office Application Security | One Office application security controls, focussing on users' access rights and segregations of duties. | Q4 | 9 Feb 2009 | | | | |
| CED08 | Members Code of Conduct – Locally Managed Framework | A review against the Standards Board checklist for the implementation of the locally managed framework of compliance with the Members Code of Conduct. Timing of this audit will depend on receipt of government regulations and SBE guidance. | Q1 | 15 Jan 2009 | | | | <i>Audit delayed until Q4 as timing depends on receipt and implementation of government regulations and SBE guidance.</i> |
| CED09 | Rebate Income | A review of the process to ensure that all rebate income due has been correctly identified, collected and accounted for. | Q1 | 23 June 2008 | 11 Aug 08 | 4 Sept 2008 | High | Audit finalised |
| CED10 | Expenditure - Direct Purchases | A review to provide assurance that purchasing of direct materials at Commercial Services business units are properly managed, controlled and accounted for. | Q4 | 9 Feb 09 | | | | |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------|
| CFE01 | Allocation of Cluster Funding | An audit of the processes in a sample of Clusters to provide assurance that the funding allocated to the Clusters is spent by them following an appropriate bidding and evaluation process linked to objectives and that records are maintained to enable management to monitor the expenditure and evaluate the results. | Q1 | 1 May 2008 | 9 July 08 | | | Second draft report issued in response to comments received. Now awaiting directorate's comments before issuing final report. |
| CFE02 | Family Group Conferencing | Assurance that controls achieve compliance with referral policy and that funding is adequate to provide accreditation training. | Q1 | 21 April 2008 | 17 July 08 | 7 Aug 08 | Substantial | Audit finalised |
| CFE03 | School Funding | A review of how funding for schools is determined and how it is distributed to meet the objective. Support the raising of educational achievement by ensuring that funding is allocated to support national and local initiatives allowing schools to focus on their responsibilities in the knowledge that all strategic support functions are similarly focused. | Q2 | 18 June 08 | 8 Oct 2008 | 25 Nov 2008 | High | Audit finalised |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|-------------------------------------------------------------------------------------------------------------------|
| CFE04 | School Meals | Review of the support to schools to assist with the falling meal uptake rates which is presenting a risk to the meals subsidy. | Q2 | | | N/A | | Audit has been substituted for work carried out to assist directorate with various issues in relation to schools. |
| CFE05 | Student Awards | In preparation for the transfer of the student awards to the Student Loan Company a review of the adequacy of the transition plan. | Q2 | 3 Sep 2008 | 24 Nov 2008 | 21 Dec 2008 | High | Audit finalised |
| CFE06 | CRB checks | Assess adequacy of, and compliance with, procedures for identifying staff that require CRB checks due to having access to the records of vulnerable people. (Non schools staff). | Q3 | 22 Sep 2008 | 22 Jan 2009 | | | |
| CFE07 | Effectiveness of Financial Management | Confirmation that the Directorate is obtaining assurance on financial management in schools and by non delegated budget holders. | Q3 | 23 Feb 2009 | | | | |
| CFE08 | PLASC | Assurance on the accuracy of the returns from a sample of schools | Q4 | | | N/A | | Substituted for other work. See details of audits substituted. |
| CFE09 | Children's Centre Resource Network | Assess whether are adequate project management arrangements in place for the delivery of the new Children Resource Centre Network. | Q2 | 22 Aug 2008 | | N/A | | Review delayed as there is a 'stalemate' over the supplier that should be appointed to put a new system in. |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

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|-------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| CMY01 | <i>Adult Education Budget Management</i> | To provide assurance that budgets are set effectively with a clear link with spending and income sources. Variations are managed effectively (in particular when courses are running at a surplus or deficit) timed to inform the directorate budget planning process. | Q1 | Not yet started | | | | Deferred until 2009/10 at directorate request because of amalgamation of Key Services. Audit substituted for Registration Services Income (CMY07). |
| CMY02 | CRB checks for volunteers | A follow up on the findings of a 2007/08 audit, which gave minimal assurance that volunteers working with clients are appropriately checked. | Q2 | 22 Sep 2008 | 22 Jan 2009 | | | |
| CMY03 | Internet access in CMY establishments accessed by the public | To provide assurance that the Directorate is taking sufficient precautions to safeguard the users of the internet in their establishments accessed by the public | Q3 | 16 Oct 2008 | | | | De briefing meetings taking place. |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|-------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CMY04 | Turner Contemporary Charitable Trust | Audit to assess the adequacy of controls/procedures to ensure that the Trust delivers agreed KCC objectives. <i>The timing of this audit will be dependent on the formation of the Trust.</i> | | | | N/A | | Trust still in the process of being set up and audit has therefore been deferred until 2009/10. Audit substituted for audit of Coroners' imprest accounts. |
| CMY05 | Tribal EBS System | Review of operational, support and maintenance procedures system security and data integrity controls | Q4 | | | | | Directorate have requested delaying start to later in the year. Meeting has taken place to discuss Terms of Reference. |
| CMY06 | Use of Coroners' imprest accounts | To ensure payments made through the imprest account are properly authorised and appropriate. | Q2 | 17 Oct 2008 | 31 Oct 2008 | 22 Jan 2009 | Minimal | Audit finalised This audit replaced (CMY04) Turner Contemporary Management |
| CMY07 | Registration Service - Income | An audit to assess the adequacy of the systems and procedures for recording and accounting for income. | Q4 | | | | | This audit replaces CMY01 |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|--------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KASS01 | Capital Projects | To examine the planning of capital projects, contracts/estimates and how these are drawn up and the corresponding governance arrangements (i.e. is the authority clearly set out and understood by all parties). | Q1 | 12 Jan 2009 | | | | <i>Revised ToR issued, audit to take place in Q4.</i> |
| KASS02 | Public Involvement | Focus on the process to continually seek improvement in the methods used to engage the public and service users. | Q2 | 1 July 08 | 5 Sept 08 | 13 Nov 2008 | Substantial | Audit finalised |
| KASS03 | Financial Assessments | Evaluation for the system for undertaking financial assessments of clients and the role of the specialist finance teams. | Q2 | 15 Sep 2008 | | | | Audit still in progress |
| KASS04 | Contract arrangements for residential and nursing care | Focus on controls within the contracting function to establish whether placements in residential and nursing care receive a high quality service. | Q4 | | | | | This audit has been deferred at the request of the Directorate. This is because of the current restructure taking place in KASS and the requirement to tender an Enablement service. |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|-------------------------------------------------|
| KASS05 (a) | Care Management Process West Kent Area | A follow up to the interim review that took place in 2007/08. A comprehensive audit to include eligibility assessment through to the delivery of care. Work to include progress against recommendations raised in interim report. | Q3 | 11 Aug 08 | 5 Nov 2008 | 19 Dec 2008 | Substantial | Audit finalised |
| KASS05 (b) | Care Management Process East Kent Area | A follow up to the interim review that took place in 2007/08. A comprehensive audit to include eligibility assessment through to the delivery of care. Work to include progress against recommendations raised in interim report. | Q3 | 11 Aug 08 | 5 Nov 2008 | 11 Feb 2009 | Substantial | Audit Finalised |
| KASS06 | High Quality Services - Mobile Working | Joint review to evaluate the development of mobile working scheme. Scope to include; <ul style="list-style-type: none"> • Management of staff • Security arrangements for sensitive data Efficiency of work practices | Q4 | | | | | ToR to be issued and date to start work agreed. |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|--------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| KASS07 | Performance and QA statistics – data quality | Review to focus on the quality of data that underpins the planning of KASS services. | Q4 | | | N/A | | This has been substituted for an audit of the transition arrangements for the Learning Disability client group from Health to Social Care. |
| KASS08 | Preventative Services | Review of the development of preventative services and use of the Partnerships for Older People’s Projects. | Q4 | | | N/A | | This audit will not go ahead as CSCI will be carrying out a review. |
| KASS09 | Occupational Therapy Bureau Equipment | Review to assess the controls in place over the assessment of eligibility for occupational therapy equipment and the subsequent monitoring and return to the Directorate. | Q4 | 16 Feb 2009 | | | | |
| KASS10 | Swift system Security | Follow up to audit carried out in 2007/08. | Q3 | 26 Nov 2008 | 23 Dec 208 | | | |
| KASS11 | Transitional Arrangements for Learning Disability client group from Health to Social Care | A review to identify the effectiveness of the transitional arrangements for the Learning Disability client group. | Q4 | | | | | Substituted for Performance and QA statistics – Data Quality |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| ER01 | Policies and Procedures for Health and Safety in Country Parks and Public Rights of Way | Review of the Councils mechanism for ensuring compliance with Health and Safety Legislation for Public Rights of Ways and Country Parks. | Q1 | 5 June 2008 | 12 Aug 08 | 29 Oct 2008 | Substantial | Audit finalised |
| ER02 | Kent Thameside | Review of how the engagement strategy is being applied in practice for the Kent Thameside project. Review also to assess the adequacy and effectiveness of the reporting and governance arrangements for the projects. | Q2 | 27 Aug 08 | | N/A | | Substituted for Kent Downs Area of Outstanding natural Beauty. |
| ER03 | KHS – Highways Contract VfM review | To establish whether the work carried out and costed under the contract arrangements (KHS Alliance Contract) is a true reflection of the actual costs incurred. | Q2 | 18 Sep 2008 | 7 Nov 2008 | N/A | The report was commissioned for a different purpose from other audits in the plan and there was no intention of providing an opinion. | Rather than finalise the report, the Leader requested that a cross directorate working party be established to take the issues forward. |
| ER04 | Midas replacement | Review of project management arrangements for the replacement of Midas. | | | | N/A | | This audit will not take place as the project has not yet commenced. |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------|
| ER05 | Household Waste Recycling Contracts | Evaluation of the control environment of the recently re-let contracts. Scope to include contract management and monitoring. Adequacy of the KPIs of quality of service. Ensuring that the Council is getting VFM from the service. | Q2 | 2 Oct 2008 | 20 Jan 2009 | | | |
| ER06 | Securing adequate funding to deliver business objectives | A high-level review of the process within Environment and Regeneration for managing inward investment. The review will look to identify best practice and identify mechanisms to ensure that the directorate is identifying and maximising sources of funding. | Q3 | 6 Feb 2009 | | | | |
| ER07 | Allington Incinerator | Assurance as to the effectiveness of the systems to support the operation of the waste to energy plant. | Q3 | | | N/A | | This audit will not take place as the incinerator has not been functional for long enough to produce sufficient data to audit. |
| ER08 | Local transport plan | Examine system and process for prioritising KCC transport schemes. | Q4 | | | | | |

Progress Against 2008-09 Audit Plan quarters 1, 2,3 and 4

Annex A

| Ref | Audit | Description | Planned Start | Audit commenced | Draft Report issued | Final Report Issued | Audit Assurance | Comments |
|------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|---------------------|---------------------|-----------------|--------------------------------------|
| ER09 | Empty Property Development Loans | Review to ensure that controls over empty property development loans are made to appropriate people and there are adequate controls in place over the recording, monitoring and collection of debt. | Q4 | 15 Jan 2009 | | | | |
| ER10 | Kent Downs Area of Outstanding Natural Beauty (AONB) | Audit of financial controls | Q2/3 | 13 Nov 2008 | 19 Dec 2008 | | | Substituted for Kent Thameside audit |

Audits highlighted in bold indicate completed audits

Audits in italics indicates changes to the original plan

National Fraud Initiative

- Collation and submission of data sets to the Audit Commission as part of the National Fraud Initiative. Reports of 'matches' to be investigated.

Advisory Work

- Attendance at various working groups/forums, including, Procurement Forum; ICT Operations Board, Client Billing Group, Self Directed Support.
- Review of client billing run to identify reason for errors in processing bills to clients.
- Joint audit and VfM review fro Cleaner Kent Campaign and Partnership arrangements.

Irregularities

- Working on a number of investigations. (See also the Irregularity report on concluded investigations).

Pro Active Fraud Work

- As part of Internal Audit's programme of pro active fraud work, fraud awareness training delivered to CFE.

AW – Corporate Governance

Scope

The objective of the audit was to review the Council wide governance arrangements by comparing them with the six principles of the CIPFA SOLACE Governance Framework (Delivering Good Governance in Local Government 2007).

Overall Assurance - High

The audit confirmed that the governance arrangements are largely in accordance with both the core and supporting principles. Three recommendations have been made including further improving arrangements around partnerships.

The recommendations have been accepted by management.

AW – Risk Management

Scope

The objective of the audit was to review the risk management arrangements throughout the Authority.

Overall Assurance - Substantial

The audit confirmed that risk is generally well managed and that there are high levels of risk awareness amongst Members and officers. The audit identified that risk management activities such as risk identification and the escalation of risk can be improved.

The greater use of risk identification workshops can be used to facilitate this.

Eight recommendations have been made to further improve control and these have been accepted by management.

CED – Payroll – Overtime Payments

Overall Assurance – Minimal

See Annex D for details and directorate’s comments

CED – Accounts Payable (AP)

Scope

An annual audit to determine if payments are properly authorised accurate, and timely payments are only paid to bona fide creditors for goods and services received for the benefit of the Council.

Overall Assurance – Substantial

As part of the audit, a random sample of 30 invoices were selected from across the Authority and these were traced back to the unit of origin to test the records relating to the ordering and receipt of goods and services at individual units.

Data was also downloaded from Oracle AP and HR and interrogated using the Interactive Data Extraction and Analysis (IDEA) software to identify any duplicate payments.

The audit confirmed that Exchequer Services has good effective controls in place relating to the AP system. The authorisation

controls in place at individual units were found to be generally working well, although some recommendations have been made to improve controls which have been accepted by management.

CFE – Student Awards Transition Plan

Scope

The objective of this audit was to review the effectiveness of the transition plan for the transfer of responsibility for student awards from the KCC Awards Group to the Student Loans Company.

Overall Assurance – High

The audit found that there are sound processes in place to facilitate the transfer of student awards to the Student Loans Company. This includes the introduction of a staff retention package to preserve and the monitoring of the quality of work.

There were no recommendations made for this audit.

CFE – School Funding

Scope

The objective of the audit was to review the accuracy and effectiveness of information used to allocate funding to schools.

Overall Assurance - High

The audit found that there are good processes in place to allocate funding to schools. There are timetables to ensure data is received on a timely basis, and there is regular liaison between

the various team involved. The Budget Team carry out a number of checks and reconciliations to ensure the data is as accurate as possible. Three recommendations have been made to further improve the processes and these have been accepted by management.

CMY – Coroners' Imprest Accounts

Over Assurance – Minimal

See Annex D for details and directorate's comments

KASS – Review of Procedures Supporting Care Management in West and East Kent

Scope

The objective of the audit was to follow up the interim audits carried out in 2007/08 which reviewed compliance with KASS's Care Management Procedures Manual in West and East Kent areas.

Overall Assurance – Substantial

The previous audit found that data quality, in particular information recorded on paper files and SWIFT did not always match and it was therefore difficult to determine if the procedures had been followed. This audit found that there was an improvement in the recoding of information in both SWIFT and paper files. Further recommendations have been made to improve controls and these have been accepted by management.

KASS – Public Involvement

Scope

To review the processes in place that KASS use to ensure they engage service users and carers in having an active role in monitoring services and influencing the development of future services.

Overall Assurance – Substantial

There is a Public Involvement strategy which sets out the vision of the Directorate and is available on Knet and has been circulated to KASS managers. A quarterly Public Involvement newsletter is distributed quarterly.

There are a number of well established 'user groups' for a large spread of client groups. However, some general interest groups such as Older Persons forums may operate at arms length from KASS and the Directorate therefore, needs to ensure that adequate channels of communication are open with these forums.

There is a Public Involvement database for logging events and for running reports, however, it is not always evident if this is being fully utilised. The Directorate is working towards an IT solution for the database which will enable staff to produce reports as required.

Two recommendations have been made which have been agreed by management.

KASS – Revenue Budget Monitoring

Scope

This audit forms part of a planned programme of audits reviewing revenue budget monitoring in each directorate. The objective of the audit was to provide assurance that revenue expenditure is properly recorded and reviewed to provide forecasts which can be relied upon.

Overall Assurance – High

Responsibility to incur expenditure in devolved budgets is delegated to named individuals who sign a Responsibility Accountability Statement (RAS) in acceptance of their role, to keep within their cash limit.

Expenditure is recorded on spreadsheets and monthly reconciliations are carried out. Budget managers complete monthly reports with their forecasts and outturn for each account code, together with reasons for any significant under/overspends.

There were no recommendations made for this audit.

KASS – Criminal Records Bureau (CRB) Checks for Agency Staff and Volunteers

Overall Assurance – Agency Staff – High

Overall Assurance – Volunteers – Minimal

See Annex D for details and directorate's comments

E&R - Works and Ordering Management System (WAMS)

Overall Assurance - Minimal

See Annex D for details and directorate's comments

Summaries of Audits with a Minimal Assurance and the directorates comments

CED - Audit of Overtime Payments

Assurance - Minimal

Overtime payments represent 17% of the basic salary paid to overtime recipients at a cost of £1.8M. The audit found there was a lack of adequate control on overtime payments from the initial approval through to the final payment. Payments are being made for overtime which appears to be outside the Kent County Council Scheme and Conditions of Employment (The Blue Book) and therefore may not be properly authorised. In addition the conditions within the Scheme and levels of payments are not being consistently applied.

A significant number of staff are working overtime at enhanced rates on an ongoing and regular basis and their levels of payment when compared to their basic salary are high. It was found that the requirements of the Working Time Regulations are not properly monitored in some cases and the discretionary opt-out arrangements available have not been put in place. There seems to be a lack of awareness of these regulations and the implications for non-compliance.

After our review, the Director of Business solutions and Policy has already carried out an assessment of the overtime working requirements and has concluded that there is a genuine need for those hours to be worked. The Director Personnel & Development has agreed to include this in the discussions on Pay Bargaining. The Employee Services Manager has also agreed to take further steps to ensure that payments for overtime across the authority are as per KCC policy and are appropriately authorised and justified before payment is made.

The audit acknowledged that a number of improvement to the control environment for overtime payments within Employee Services Payroll were already being actively considered. These were not always under the direct control of Employee Services and will require Corporate and Directorate support to implement.

Directorate Comments

The findings of the Overtime Audit are acknowledged and we understand the requirements and recommendations within it. We have taken the following actions to mitigate the risks and seek to continue developing ongoing improvements in particular utilising Oracle HR.

We would like to give reassurances as follows in light of the findings:

- We seek to recover all overpayments identified.
- A new form has been developed which is a universal claim form covering all variable payments, including overtime. This has been launched and a programme to remind managers and insist on its use is in place. Managers will receive email instructions and a deadline to cease using all other forms. The form is electronic and has been reviewed by Audit.
- We will continue to roll-out Oracle Self-Service to all KCC managers and staff which will include overtime claims.

**Summaries of Audits with a Minimal Assurance
and the directorates comments**

- Employee Services Centre (ESC) Team Briefings have taken place; refresher training has been planned and will periodically be repeated in its delivery.
- ESC team members are required to check the validity of the claims and query those that appear to be incorrect. They will also query, once overtime rules have been reviewed by Joint Reward Implementation Team (JRIT), any that are not applying the rules correctly.
- ESC report on all payments over £500 and check validity. The limit on Oracle Self-Service has been reduced to 150 hours. Team Leaders have put in place random audit checks on overtime and other payments input to Oracle.
- JRIT and ESC have requested responses from managers about any local agreements. Once collated, these will inform ESC as to which areas fall outside the general KCC overtime rules stated in the Blue Book.
- JRIT are reviewing the entire overtime section of the Blue Book.
- The Resource Directors will receive data about overtime in Key Performance Indicators (KPI) packs.
- The Organisation will be reminded about Flexi time scheme, the Working Time Regulations and 'opt-outs' via their Personnel Business Support teams and discussions have been included in the Pay Bargaining discussion. As a result of the review of the Blue Book provision, any necessary changes will be made for the beginning of the new financial year.

We are committed to implement best practice and find an appropriate solution to the overtime rules and their enforcement, which suits the organisation and manages risk.

Amanda Beer
Director of Personnel & Development

**Summaries of Audits with a Minimal Assurance
and the directorates comments**

CMY Audit of Coroners' Imprest Accounts

Assurance - Minimal

Internal Audit was requested by the Communities Directorate to undertake an audit of the use of imprest accounts by Coroners. There are four Coroners, each with their own District. Coroners are independent officers, holding quasi-judicial appointments over who little line management can be exercised.

The Coroners' accounts are monitored centrally to ensure that their use is appropriate, that the accounts are kept within their limits and that the level has been set correctly. Our audit identified that the use of the imprest accounts by the Coroners does not comply with KCC financial regulations. However, the guidelines issued to the Coroners only recently in July 2008 prior to the start of our audit were non-specific to the Coroners. If Coroners do not have relevant guidelines to follow there is risk that not all transactions made through the imprest accounts are appropriate and legitimate. Three Coroners exceeded the limits on their accounts; this could be avoided if invoices being paid through the imprest Accounts were paid through Accounts Payable (AP). Supporting paperwork does not show evidence of being authorised for payment as this is done by the Coroner physically signing the cheque and making the payment. Cheques only require one signatory so there is the risk that inappropriate payments could be made, therefore, other controls need to be robust.

Our testing identified that not all payments were supported by appropriate supporting receipts or paperwork. These included travelling expenses paid on receipt of a memo that omitted details of the journeys undertaken making it difficult for the accuracy of the claim to be checked. As a result, inaccurate or inappropriate payments may be made.

Without a sufficient segregation of duties, Coroners could be placed in a vulnerable position if accusations are made regarding the appropriateness of payments made, especially as Coroners make payments to themselves. Clear guidelines should be issued as to what can and cannot be paid through the imprest account and any payments outside of these should have prior authorisation by Communities Finance.

Our testing highlighted that one Coroner for North West Kent was raising invoices to himself, "Hire of Office for Opening Inquests" for payment from the Imprest account. This was investigated by Communities Finance and the Coroner in question was informed to cease this practice as he was therefore receiving payment twice for his service provided as a coroner. No further invoices were paid once he was told to stop. Payments this financial year equate to April £391, May £322 and June £253. The Coroner has received payment twice for his services as a coroner. It was agreed that the payments made in 2008-09 will be reclaimed from the Coroner.

Summaries of Audits with a Minimal Assurance and the directorates comments

Directorate Comments

Coroners are independent judicial officers appointed by and paid for by local authorities. They are not local authority employees but hold office under the Crown, and the local authority has no jurisdiction over their decisions or activities. The service is wholly demand led based on the number of cases presented to the Coroner for investigation and the individual Coroner's decisions on how to progress the cases. It has always been very difficult for the local authority to exercise any real and effective control over expenditure, and in recent years there has been a significant increase in the complexity of cases and additional demands placed on Coroners. For this reason the Coroners Service in Kent has come under increasing scrutiny to justify its costs and manage expenditure within the budget available. KCC has also taken a leading role with the Ministry of Justice to explore more appropriate ways of funding the Coroners Service so that it does not present an uncontrollable burden on the authority's budget and ways in which the authority can exercise more control over spending.

Coroners operate a KCC imprest account providing a cheque book and cash facilities for running their jurisdiction. The nature of Coroners work means they need the facility to make local payments but we have had concerns that Coroners were making payments from imprest accounts that should have been processed through the authority's Accounts Payable system and expenses systems. In order to satisfy ourselves that Coroners were operating these accounts within the established guidelines, and that effective control was being exercised over costs and payments the Communities Directorate commissioned an audit of these accounts as part of the ongoing review of expenditure.

The major weakness identified was that the accounts were not being operated within KCC financial regulations and we are in the process of addressing this. A number of other weaknesses were also identified relating to the processing of payments, witness claims and exceeding account limits. Again we are taking steps to address these. We will be raising these matters with the Coroners through the Head of Finance. We will also instigate any necessary system changes.

Overall we welcome and support the findings of this audit report. We are though satisfied that although a number of deficiencies were highlighted as having minimal assurance risk, and which clearly require immediate corrective action, they are unlikely to deliver any savings to KCC as part of the wider funding review of the Coroners Service.

Dave Shipton
Head of Finance and Asset Management

**Summaries of Audits with a Minimal Assurance
and the directorates comments**

**KASS – Criminal Records Bureau (CRB) Checks for Agency Staff and
Volunteers**

**Assurance – Agency Staff – High
Assurance – Volunteers – Minimal**

The Kent Adult Social Services Directorate are required to ensure that Business Units, which engage agency staff and volunteers, make sure all necessary volunteers have a suitable and current Criminal Records Bureau (CRB) disclosure check.

We looked at agency staff procured by centre managers through other agencies and we confirmed with these agencies that those staff also had valid CRB disclosures. In total we took a sample of 117 agency staff across 19 different agencies. We looked at 42 volunteers working across 19 different establishments.

Of the agency staff tested 116 had a valid CRB check, 1 had a Protection of Vulnerable Adults (POVA) check but had left the agency before the CRB check was completed. It is the policy of KASS to recheck all staff on a three yearly basis. Testing of this process at KTT showed that 4 of their agency staff had gaps of up to 20 months between the end of the third year of the CRB disclosure and the recheck. KTT have a sound policy for dealing with positive CRB disclosures. The General Manager and the Care and Recruitment Coordinator of KTT make a decision to allow the applicant to join KTT and a discussion is held with every prospective centre manager and it is their ultimate decision to employ or not.

Of the testing on volunteers 13 individuals across 7 establishments did not have a CRB disclosure. We have informed the responsible establishments that these CRB checks should be carried out as a matter of urgency. At the time of the audit the centre managers were unsure of the guidance in relation to the responsibility for ensuring volunteers had a valid CRB disclosure. Updated guidance has since been introduced

Assurance on the agency staff CRB checking was high, on the volunteers the assurance given was minimal.

Overall we are aware of the Safeguarding Vulnerable Groups Act 2006 legislation due to be phased in by way of the Independent Safeguarding Authority (ISA) from Autumn 2008. We understand that a consultant has carried out a piece of work for Communities on various issues surrounding volunteers employed by the Authority and this will tie in with the changes from the ISA. We are also aware of discussions taking place between Personnel Services and the Managing Director of KASS concerning the managing of volunteers

**Summaries of Audits with a Minimal Assurance
and the directorates comments**

Directorate Comments

I welcome the outcome of this report, and I am pleased that the management of agency staff is deemed to be sound. However the field work, undertaken in November 2007, has shown there to be some weaknesses in our approach to checking volunteers. The Directorate takes this very seriously, and has worked hard to improve this position. The guidance to managers is now easily accessible on Knet, and managers have all been alerted to this, and to its importance. In addition, all managers are ensuring that existing volunteers have a current CRB check, as well as making sure that new volunteers are checked. I am in discussion with corporate colleagues as to how this could be further strengthened by managing intelligence across the County Council.

Oliver Mills
Managing Director, KASS

**Summaries of Audits with a Minimal Assurance
and the directorates comments**

E&R Works, Ordering and Asset Management WAMS

Assurance – Minimal

"The Works Ordering and Asset Management system (WAMS) was introduced to support the ordering of works and associated costings throughout the Kent Highway Services Alliance Partnership. The audit sought to examine whether payments and information could be exchanged within the KHS Alliance, to identify the required costs and payments within the system together with their immediate status. This was to ensure that payments would not be approved without confirmation that the work had been completed, that forecasting payments could be undertaken with payments being made at the appropriate time and that budget management knowledge could identify relevant problems and allow appropriate management action to be taken.

The lack of process mapping, training and standard processes within WAMS was resulting in working practices varying at both officer and departmental levels.

A number of issues have been identified as part of the audit, which are summarized below:

- Staff were unaware of the costs that the contracting function should be charging for work undertaken.
- There was no defined process to ensure that officers have challenged or reviewed a target cost prior to its acceptance.
- In some cases, compensation events were being raised after the job has been completed on site. This action allows the original target price to be increased, which will affect the pain or gain calculation at the end of each year.
- Jobs once completed had not been marked as financially complete. This results in uncertainty as to whether all costs have been applied to the relevant jobs.
- Financial information is available using WAMS but we were advised that little budgetary information is extracted.
- We were advised that no consistent process is in place to submit information to the contractor.
- If actual costs exceed the agreed target cost, there was no system to identify this situation.
- The contract enables the review of prime documents relating to the costs that have been applied. None of the officers interviewed has undertaken this action.
- We were advised that inspections of the work were not being undertaken.

This audit was initially reported in May 2008 and recommendations were made to address these points. Since then, further work has been undertaken within the KHS Alliance and an action plan has been developed. Many of the recommendations have been implemented and further audit work will be undertaken in 2009/10, to ensure that the action plan has been fully implemented. "

**Summaries of Audits with a Minimal Assurance
and the directorates comments**

Directorate Comments

The WAMS system is now an integral part of KHS' operations and staff are reliant on technology to enable them to do their jobs. The audit has highlighted a number of key issues that must be addressed without delay. Since the draft report was issued in May 2008, many of the recommendations have been actioned and completed. I am conducting a monthly review to ensure that progress continues to enable a greater level of assurance when Internal Audit formally revisits KHS during the first six months of 2009/10.

Caroline Bruce
Interim Director – Kent Highway Services

**Directorates Progress with the Implementation of Audit Recommendations
(Covers November 2008 to January 2009)**

Annex E

| Directorate | Actions due to be in place | Actions in place | Outstanding actions | Progress with outstanding actions | |
|--------------------------------|----------------------------|------------------|---------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | Audit | Comments |
| Chief Executive's Department | 1 | 1 | 0 | Network Management Review | Solar Winds network management tool now implemented, as per the agreed management action plan. |
| Kent Adult Social Services | 8 | 8 | 0 | Review of procedures supporting care management - West Kent | District Managers received a copy of the audit report and corrections have been made to the specific errors/omissions found in the audit, as per the agreed management action plan. |
| | 3 | 1 | 2 | Public Involvement | The data input form and reporting wizard have been updated, and will be available for testing at the end of February 2009. |
| Communities | 4 | 0 | 4 | Health & Safety - Direction of Travel | Work has begun on all 4 recommendations with full implementation expected by July 2009. Business unit reporting 'champions' have been identified, and training will be completed in February 2009. Training for self-evaluation checks to be completed by July 2009. The monitoring of whether induction handbooks are distributed to all new starters will be implemented in the new financial year. Recommendations from Authority Wide Health & Safety audits will be reported to the Communities Health and Safety manager on a 6 monthly basis from March onwards. |
| Environment & Regeneration | 2 | 1 | 1 | Landfill Allowance Trading Scheme | Work shadowing has not yet been completed, but the Finance and Performance Team within Waste Management has recently recruited additional resource to manage various work flows and this action will form part of the Team Plan for 2009. |
| | 4 | 4 | 0 | H&S CP and PROW | Country Park wardens liaised with and updated procedures issued, as per the agreed management action plan. |
| Children, Families & Education | 7 | 7 | 0 | Ellington School for Girls 2nd Follow up | All recommendations completed as per the agreed management action plan. |
| | 3 | 2 | 1 | School Funding | All relevant spreadsheets have been password protected and all staff have been made aware of the work shadowing policy. Guidance notes are currently being written and will be complete by August 2009. |
| TOTAL | 32 | 24 | 8 | | |

Internal Audit performance

The following table is designed to provide Members with Internal Audit's performance against Key Performance Indicators.

| Performance Indicator | Target | Actual (Apr – Jan) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| <u>Effectiveness</u> <ul style="list-style-type: none"> • % of recommendations accepted • % of recommendations implemented • CPA/CAA Score for Internal Control | 98% 90% Level 4 | 95.6% 77% 3 |
| <u>Efficiency</u> <ul style="list-style-type: none"> • % of plan delivered – • % of available time spent on direct audit work • % of draft reports completed within 10 days of finishing fieldwork • Preparation of annual audit plan • Periodic reports on progress • Preparation of annual report and Annual Governance Statement | 95% 80% 80% By March G&AC meetings By May | 69%* 89% 87% March 2009 G&AC meetings May |
| <u>Quality of Service</u> <ul style="list-style-type: none"> • Average Client Satisfaction Score – | 70% | 97% |

* Percentage of plan delivered as at 31 January 2009

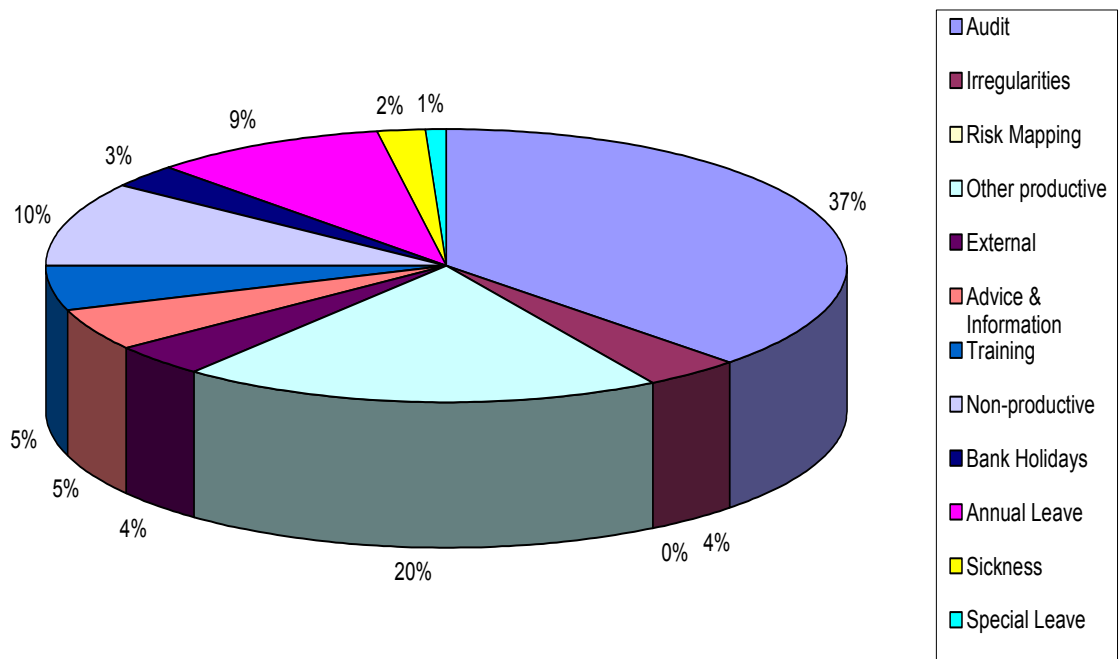
Team Structure

Number of staff 12 FTE

Qualified 6

Number of staff training 3

Breakdown of all time in Internal Audit
April 2008 to January 2009



| Assurance Level | Summary description | Detailed definition |
|--------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| High | Strong controls in place and complied with. | The system/area under review is not exposed to foreseeable risk, as key controls exist and are applied consistently and effectively. |
| Substantial | Controls in place but improvements beneficial. | There is some limited exposure to risk of error, loss, fraud, impropriety or damage to reputation, which can be mitigated by achievable measures. Key or compensating controls exist but there may be some inconsistency in application. |
| Limited | Improvements in controls or the application of controls required. | <p>The area/system is exposed to risks that could lead to failure to achieve the objectives of the area/system under review e.g., error, loss, fraud/impropriety or damage to reputation.</p> <p>This is because, key controls exist but they are not applied, or there is significant evidence that they are not applied consistently and effectively.</p> |
| Minimal | Urgent improvements in controls or the application of controls required. | <p>The authority and/or service is exposed to a significant risk that could lead to failure to achieve key authority/service objectives, major loss/error, fraud/impropriety or damage to reputation.</p> <p>This is because key controls do not exist with the absence of at least one critical control, or there is evidence that there is significant non-compliance with key controls.</p> |

By: **Charles Findlay, Chairman – Governance and Audit Committee**
To: **Janet Dawson, Head of Audit & Risk**
Governance & Audit Committee – 4 March 2009
Subject: INTERNAL AUDIT REPORTING – IRREGULARITIES
Classification: Unrestricted

Summary: This report provides brief details of all irregularity cases completed during the period November 2008 to January 2009.

FOR INFORMATION

Introduction

1. In line with best practice and as agreed by Members of the Audit Committee at their meeting on the 1 March 2005, this report summarises the outcome of irregularity investigations that have been concluded within the period from November 2008 to January 2009.
2. During the period, four new cases of potential irregularity were reported, for which investigations are continuing. Where significant, details of these irregularities are reported separately to the Chairman of the Governance and Audit Committee during informal meetings, to ensure that he is made aware of possible problems as they arise.
3. Appendix 1 summarises the outcomes of completed investigations within the period.

Recommendation

4. Members are asked to note this report.

Janet Dawson
Head of Audit & Risk
Ext: 4614
16 February 2009

| Ref | Directorate | Nature of Irregularity | Value | Outcome |
|-------|-------------|----------------------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| xx736 | E&R | Member of staff working for another LA | £7,000 | <ul style="list-style-type: none"> ▪ A member of staff employed full time via an agency to carry out road inspections was also being paid to work full time for other local authorities. ▪ Attempts have been made in conjunction with the other local authorities involved to recover money paid to the employee but this has not proved possible as he cannot be traced. |
| xx760 | CFE/KASS | Falsifying documentation | £22,000 | <ul style="list-style-type: none"> ▪ A member of staff falsified SS324 forms (Request for Client Support) to enable payments to be processed, cash to be collected by client, or on behalf of client. ▪ A disciplinary case was held in which the member of staff admitted to thefts and was dismissed. ▪ The case was also pursued by the police and the former employee appeared in court where he was found guilty and sentenced to six months imprisonment of which he served eight weeks. |

By: **Charles Findlay, Chairman – Governance and Audit Committee**
To: **Janet Dawson, Head of Audit & Risk**
Governance and Audit Committee
4 March 2009

Subject: 2009/10 INTERNAL AUDIT PLAN

Accountable Officer: The Head of Audit & Risk

Classification: Unrestricted

Summary: This report details the Internal Audit plan for 2009/10

FOR DECISION

Introduction

This report shows the proposed work programme for Internal Audit for 2009/10 and the breakdown of available days as follows:-

1. Audit Plan - by directorate and review ie S151, Corporate Governance, and Cross cutting (Authority Wide).
2. Fraud Work
 - Fraud awareness training,
 - pro – active fraud work,
 - ‘Irregular Happenings’,
 - irregularity investigations
3. Other Productive
 - Advice and Information,
 - Liaison,
 - Follow Up of recommendations made and agreed

4. Development of the Audit Plan

The Internal Audit Plan for 2009/10 was developed in a number of ways as follows:-

- Linking with the Business Units' Plans;
- Risk Management meetings with directorates and the Corporate Risk & Insurance Manager;
- Building on the Risk Mapping process developed during 2007/08;
- Risk Register 'refresh' and identifying risks and controls;
- Internal Audit's 'Cumulative Audit Knowledge and Experience' (CAKE). See Appendix 1 of the plan for a detailed description.

A number of the planned audits, particularly the audits detailed in Section 151 will be carried out as part of Internal Audit's statutory requirements to provide assurance to the Director of Finance on the effectiveness of internal controls in the Authority.

Audits that cover governance, contribute towards the Head of Audit & Risk's overall assurance on corporate governance arrangements in the Authority which forms part of the Annual Governance Statement (AGS).

Management requests also form part of the audit plan and arise from regular discussions with management.

ICT audits were developed as a result of identifying and mapping objectives, risks and controls for the Authority's key IT systems.

5. Staffing

The plan is resourced by calculating the number of days available per member of staff in the Internal Audit Section.

The Internal Audit 'establishment' is 13 FTE, comprising the Senior Audit Manager, three Audit Managers, three Senior Auditors and six Auditors. In addition, 265 days of ICT audit work and 26 of ICT management are provided by PwC. The current number of FTEs is 11.75. This is reflected in the phasing of the plan.

6. Phasing of the Plan

The targets for completing the audit plan are as follows:-

| | |
|-----------|-------------|
| Quarter 1 | 21% |
| Quarter 2 | 27% |
| Quarter 3 | 26% |
| Quarter 4 | 26% |
| | 100% |

These are approximate targets and quarter 1 reflects the vacancy levels and to allow for the finalisation of 2008/09 reports.

Recommendation

7. Members are asked to agree the proposed plan and work programme.

Janet Dawson
Head of Audit & Risk
Ext: 4614
16 February 2009

February 2009

Kent County Council

Internal Audit

Strategic Audit Plan April 2009 – March 2010



I. Authority Wide

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-------------|-------------------------------------------------------|-----------------------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------|
| | | | | Comments | Audit Owner | Timing |
| AW01-2010 | Corporate Governance Overview Health Check | Requirement under Governance Statement | 20 | Ongoing assurance and follow-up of prior year report. | Geoff Wild Director of Law and Governance | Quarter 3 |
| AW02-2010 | Risk Management | Requirement under Governance Statement | 20 | Ongoing assurance and follow-up of prior year report. | Lynda McMullan Director of Finance | Quarter 3 |
| AW03-2010 | Governance of Partnerships | Requirement under Governance Statement | 30 | Follow-up of prior year report and provide assurance on adequacy of processes in a sample of major/significant partnerships, including any new partnerships not previously audited to monitor and ensure that KCC objectives are being met. | Colin Maclean Interim Head of Partnerships | Quarter 2 |
| AW04-2010 | Proactive Fraud Work-Contracts | Requirement under Governance Statement | 35 | Review procurement practices in a sample of areas to provide assurance that potential of fraud is minimised. | Lynda McMullan Director of Finance | Quarter 1 |
| AW05 - 2010 | Use of Interim & Temporary Senior Managers | Cumulative Audit Knowledge & Experience | 30 | Examination of the appointment and governance arrangements (including length of appointment, responsibilities, compliance with Finance Regulations and authorisation limits) relating to temporary senior managers. | Resource Directors | Quarter 4 |
| AW06 - 2010 | Use of Consultants/Consultancy firms | Cumulative Audit Knowledge & Experience | 30 | To review use of consultants and consultancy firms to ensure correct procurement processes have been followed and they achieve expected outcomes. Frequency of use, total cumulative spend in the year and any high users of consultancy services. | Resource Directors | Quarter 3/4 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-------------|------------------------------------------------|-----------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| AW07 - 2010 | Premises Security | Cumulative Audit Knowledge & Experience | 30 | A review of premises security including the processes in place for decommissioning premises. For reasons of efficiency, experience has shown that it is preferable to cover directorates on a cyclical basis. <i>Directorate to be confirmed for 2009/10</i> | Resource Directors | Quarter 1 |
| AW08 - 2010 | Handling Information Risk | Cumulative Audit Knowledge & Experience | 25* | 2 nd phase of work commenced on 2008/09 looking at the controls the Authority has in place to protect information, raise awareness and address any potential requirements outlined by the Local Government Association (LGA). | Geoff Wild Director of Law and Governance | Quarter 3 |
| AW9 - 2010 | ICT Management/ICT Strategy Development | Deferred from 2008/09 | 30* | Some of this work has been deferred from 2008/09 and needs to take place in quarter 4 of 09/10 by which time a strategy is likely to be in place. Consider processes in place to ensure the IT strategy is aligned with the business objectives of KCC. | David Cockburn Executive Director, Strategy, Economic Development & ICT | Quarter 4 |
| AW10 - 2010 | Use of Databases and Spreadsheets | Management Request | 20* | A review of the use of spreadsheets and databases which hold sensitive data separately from the core systems. Review the controls and guidance in place surrounding their use to ensure data is held securely within the directorates. | Resource Directors | Quarter 2 |
| AW11 - 2010 | Business Continuity Planning | Follow up to 2008/09 audit | 20* | Follow up to work carried out in 2008/09 to review progress being made. This could take the form of a phased assessment in further development and roll out of the plan and we will consider working alongside the Head of Emergency Planning in this respect. | David Cloake Head of Emergency Planning & Resource Directors | Quarter 2 |
| | Total – Authority Wide | | 290 | *95 days relates to audit that covers ICT areas | | |

II. Section 151

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|------------|-----------------------------|------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| S01 - 2010 | Year End Accounting | Key Financial Systems annual audit | 25 | Assurance that income and payments are accounted for in the correct financial year. | Lynda McMullan Director of Finance | Quarter 1 |
| S02 - 2010 | Bank Reconciliations | Key Financial Systems annual audit | 10 | A review to provide assurance that the Authority's accounts are promptly reconciled to bank statements and all reconciling items are promptly resolved. | Lynda McMullan Director of Finance | Quarter 4 |
| S03 - 2010 | General Ledger | Key Financial Systems | 25 | Systems based approach considering key risk exposures. Include mapping of key control areas and liaison with external audit requirements. Testing adequacy of input controls including feeder system interfaces into the General Ledger and reconciliation of control and suspense accounts. | Lynda McMullan Director of Finance | Quarter 4 |
| S04 - 2010 | Imprest Accounts | Key Financial Systems annual audit | 15 | A review of the imprest accounts in the authority to assess whether they are operated within approved limits and identify any accounts surplus to requirements. | Lynda McMullan Director of Finance | Quarter 1 |
| S05 - 2010 | Accounts Payable | Key Financial Systems annual audit | 35 | Systems based approach considering key risk exposures. Include mapping of key control areas and liaison with external audit requirements. Testing to provide assurance that accurate, timely payments are made which are only to bona fide creditors for goods and services provided for the benefit of the Council, including testing of authorisation controls at budget units. | Lynda McMullan Director of Finance | Quarter 2 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-------------|------------------------------------------------------------------------|------------------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------|
| | | | | Comments | Audit Owner | Timing |
| S06 - 2010 | Accounts Receivable | Key Financial Systems annual audit | 30 | Systems based approach considering key risk exposures. Include mapping of key control areas and liaison with external audit requirements. Testing to provide assurance that all income due is identified, invoiced, collected and recorded accurately and timely, including checking of controls over income in a small sample of budget units. | Lynda McMullan Director of Finance | Quarter 3 |
| S07 - 2010 | Treasury Management | Key Financial Systems annual audit | 15 | Follow-up of recommendations arising from previous review. | Lynda McMullan Director of Finance | Quarter 1 |
| S08- 2010 | Payroll | Key Financial Systems annual audit | 20 | Substantive "Cradle to Grave" approach, following through samples of payments for example, permanent and temporary changes to pay. Testing to include authorisation controls at budget managers' level. | Amanda Beer Director of Personnel & Development | Quarter 4 |
| S09 - 2010 | Capital Monitoring | Key Financial Systems annual audit | 20 | A review of the monitoring and management controls on a sample of capital projects. From across the Authority. | Lynda McMullan Director of Finance | Quarter 2/3 |
| S010 - 2010 | Pension- Contributions OR Tax on retirement | Key Financial Systems annual audit | 25 | A review to provide assurance that contributions are being charged correctly as per the requirements of the new legislation on the basis of the salary levels. A review to provide assurance that tax on retirement benefits is being dealt with correctly as per requirements of new legislation. | Lynda McMullan Director of Finance | Quarter 2 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|------------|----------------------------------|------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| S11 - 2010 | Revenue Budget Monitoring | Key Financial Systems annual audit | 30 | <p>Directorate revenue budget monitoring audits undertaken annually. To provide assurance that revenue budgets are well controlled.</p> <p>Our audits have recently covered the demand led services in KASS and E&R and this year will be extended to CFE in 2009/10.</p> | <p>Lynda McMullan Director of Finance</p> <p>Keith Abbott Director Finance and Corporate Services CFE</p> | Quarter 3 |
| S12- 2010 | Partial Exemption | Management Request | 10 | A review to provide assurance around the processes in place to ensure the accuracy of the VAT partial exemption calculation. | <p>Lynda McMullan Director of Finance</p> | Quarter 2 |
| S13 - 2010 | Management Review | Annual Audit | 15 | To provide assistance at year end for the 'close down'. | <p>Lynda McMullan Director of Finance</p> | Quarter 1 |
| | Total – S151 | | 275 | | | |

III. Chief Executive's Department

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|---------------|----------------------------------------------------|-------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| CED01 - 2010 | Income- Legal Department | Management request/Risk | 20 | Provide assurance that all income due is completely recorded, invoiced and collected in a timely manner. | Geoff Wild Director of Law and Governance | Quarter 1 |
| CED02 - 2010 | Public Service Agreements (PSA) | Management request | 10 | Report to Chief Executive on the Performance Indicators for Local PSA Targets. | Lynda McMullan Director of Finance | Quarter 3 |
| CED03 - 2010 | Property Management System Security | Deferred from 2008/09 | 20* | Property Management application security controls, including users' access rights, web access and segregations of duties. (*Property Management System, Enterprise including Interprise, the Web Based Module). | Paul Kennedy Resources Manager-Property Group | Quarter 1 |
| CED04 - 21010 | Building Consultants' Procurement Framework | Management request | 30 | Review the procurement of building consultants to provide assurance that the requirements of the new Building Consultants Procurement Framework have been adhered to. | Peter Binnie Head of Operations-Property Group | Quarter 4 |
| CED05 - 2010 | Staffcare Services | Management request | 20 | A review to provide assurance that payment for Staffcare Services are made only for reasonable/appropriate services received by KCC staff which are adequately evidenced and payments are appropriately authorised. | Kevin Harlock Commercial Services Director | Quarter 3 |
| CED6 - 2010 | Cheque Payments | Management request | 20 | A review to provide assurance that cheque payments are made only in exceptional circumstances as per policy guidelines, are properly authorised and are supported by adequate evidence of receipt of goods and services. | Kevin Harlock Commercial Services Director | Quarter 4 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|--------------|-------------------------------------------|-----------------------------------------|------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| CED07 - 2010 | Axis Pensions System | Cumulative Audit Knowledge & Experience | 20* | A review of application controls, security and management of the operation of the Axis Pensions system. | Nick Vickers Head of Financial Services | Quarter 1 |
| CED08 - 2010 | Routewise | Cumulative Audit Knowledge & Experience | 20 | Provide assurance on accuracy and validity of payments made via Routewise a travel system. | Kevin Harlock Commercial Services Director | Quarter 2 |
| | Total – Chief Executive Department | | 160 | * 40 days relates to audits that cover ICT areas | | |

IV. Children Families and Education

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|--------------|--------------------------|-----------------------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------|
| | | | | Comments | Audit Owner | Timing |
| CFE01 - 2010 | Data Quality | Cumulative Audit Knowledge & Experience | 30 | An audit to assess controls the Directorate rely on to ensure the accuracy of the information used to complete DCSF statutory returns. To include the September pupil count, PLASC; years head count and Key Stage data collections. | Keith Abbott Director, Finance and Corporate Services | Quarter 1 |
| CFE02 - 2010 | Post 16 education | Management request | 30 | An audit of the transitional plan for the streamlining of funding and commissioning for post 16 education at schools and colleges. | Keith Abbott Director, Finance and Corporate Services and Director of Operations | Quarter 2 |
| CFE03 - 2010 | Child Protection | Cumulative Audit Knowledge & Experience | 30 | An audit to evaluate how the functionality of the ICS facilitates the safeguarding children. | Bill Anderson Director Children's Social Services | Quarter TBC |
| CFE04 - 2010 | SEN Transport | Management request | 30 | A review of the SEN transport provision to confirm the arrangements meet pupil needs whilst achieving VFM (use of taxis) and effective use of finances. | Joanna Wainwright Director Commissioning (Specialist Services) | Quarter 2 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|--------------|----------------------------------------------------------------|-----------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| CFE05 - 2010 | Student Awards | Management request | 10 | In preparation for the transfer of the student awards to the Student Loan Company we will review of the adequacy of the transition plan. | Keith Abbott Director, Finance and Corporate Services | Quarter 3 |
| CFE06 - 2010 | Partnerships | Management request | 30 | An audit to confirm that the directorate's partnership arrangements with the 23 Local Children's Services Partnerships (LCSPs) are delivering the Children and Young People's Plan. We will look at a sample of partnerships. | Keith Abbott Director, Finance and Corporate Services | Quarter 4 |
| CFE07 - 2010 | Personal Education Allowances for Looked After Children | Cumulative Audit Knowledge & Experience | 30 | An audit of the system for the management and accounting for the personal education allowance for Looked After Children. | Keith Abbott Director, Finance and Corporate Services | Quarter 3 |
| CFE08 - 2010 | ContactPoint | Management request | 30 | Integration of the Central Government ContactPoint system. Review will include:- Arrangements in place for training, granting access and monitoring. DCSF will require assurance that controls are in place and data is held securely and is only accessed by accredited users. | Joanna Wainwright Director Commissioning (Specialist Services) | Quarter 2 |
| CFE09 - 2010 | ContactPoint | Management request | 25* | IT security controls compliance with DCSF code of connection. | Joanna Wainwright Director Commissioning (Specialist Services) | Quarter 2 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-----------------|-------------------------------------------------|-----------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------|
| | | | | Comments | Audit Owner | Timing |
| CFE10 2010 | Asylum Imprest Accounts | Follow up to 2008/09 audit | 15 | A follow up to the work undertaken in the 2008/09 financial year to confirm the imprest account is managed and accounted for correctly. | Keith Abbott Director, Finance and Corporate Services | Quarter 1/2 |
| CFE11 - 2010 | ICS Capita One | Cumulative Audit Knowledge & Experience | 20* | Foster payments – review of interface/application controls surrounding the foster payment process. <i>Dependent on implementation of foster payment process.</i> | Keith Abbott Director, Finance and Corporate Services | Quarter 4 |
| CFE12 - 2010 | Children's Centre Resource System | Cumulative Audit Knowledge & Experience | 20* | Review of project management or review of the design of the application controls within the system. | Alex Gamby Head of Early Years and Childcare (operations) | Quarter 3/4 |
| CFE13 - 2010 | Cluster Funding | Follow up to 2008/09 audit | 30 | A follow up audit of the allocation of funding provided to Clusters (now Trusts) to ensure the achievement of planned objectives. | Keith Abbott Director, Finance and Corporate Services | Quarter 2 |
| | Total – Children, Families and Education | | 330 | *65 days relate to audits that cover ICT areas. | | |

V. Communities

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-------|-------------------------------------------------|-----------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------|
| | | | | Comments | Audit Owner | Timing |
| CMY01 | Adult Education Budget Management | Management request | 20 | To provide assurance that budgets are set effectively with a clear link with spending and income sources. Variations are managed effectively (in particular when courses are running at a surplus or deficit) timed to inform the directorate budget planning process. | TBC Head of Finance and Asset Management | Quarter 3/4 |
| CMY02 | Margate Library | Management request | 15 | Post completion review of the project. | Des Crilley Director of Community and Cultural Services | Quarter 4 |
| CMY03 | Business and Project risk identification | Management request | 25 | An assessment of the processes that enable the Directorate to identify and respond to key risks. | Judy Edwards Director Policy and Resources | Quarter 1 |
| CMY04 | Turner Contemporary Charitable Trust | Deferred from 2008/09 | 25 | Audit to assess the adequacy of controls/procedures to ensure that the Trust delivers agreed KCC objectives. <i>The timing of this audit will be dependent on the formation of the Trust.</i> | Amanda Honey Managing Director | Quarter 3 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-------|-----------------------------------------|----------------------------|------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| CMY05 | Coroners' imprest accounts | Follow up to 2008/09 audit | 5 | A follow up audit of the implementation of the recommendations for four coroners' imprest accounts. | Clive Bainbridge Director of Community Safety and Regulatory Services | Quarter 2 |
| CMY06 | Libraries – IT renewal programme | Management request | 20 | An audit to review the effectiveness of the new library management system. | Des Crilley Director of Community and Cultural Services | Quarter 3 |
| | Total – Communities | | 110 | * ICT audits - See audit of ContactPoint. | | |

VI. Kent Adult Social Services

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|---------------|-----------------------------------------------------|---------------------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| KASS01 - 2010 | CRB - Volunteers | Follow-up to previous minimal assurance | 15 | Re-examination of controls relating to CRB checks on Volunteers. | Director of Strategic Business Support | Quarter 1 |
| KASS02 - 2010 | Transaction Data Matching (TDM) | Follow up to work carried out by Audit Commission | 30 | Evaluation of usage of TDM, including checking of validity of reports and actions taken with providers. | Michelle Goldsmith, Directorate Finance Manager | Quarter 2 |
| KASS03 - 2010 | Direct Payments | Cumulative Audit Knowledge & Experience | 30 | Evaluation of effectiveness of operation of Direct Payments including care plan objectives stated, costings applied, accounts being checked, balances held and data quality. | Janet Hughes/Margaret Howard Directors of Commissioning & Provision | Quarter 2 |
| KASS04 - 2010 | Swift – Implementation of V24 and AIS | Cumulative Audit Knowledge & Experience | 25* | Evaluation of the project process and management of risks arising. | Director of Strategic Business Support | Quarter 2 |
| KASS05 - 2010 | Performance and QA statistics – data quality | Cumulative Audit Knowledge & Experience | 30 | Review to focus on the quality of data that underpins the planning of KASS services. | Director of Strategic Business Support | Quarter 4 |
| KASS06 - 2010 | Client Billing | Cumulative Audit Knowledge & Experience | 30 | To provide assurance on the accuracy and validity of charges to clients and other relevant parties. | Michelle Goldsmith Directorate Finance Manager | Quarter 3 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|---------------|--------------------------------------------|-----------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| KASS07 - 2010 | Procurement (excluding social care) | Cumulative Audit Knowledge & Experience | 30 | Examination of procurement process for non-social care items throughout the Directorate, commencing at ordering and authorisation through to entry into budget management recording. | Janet Hughes/Margaret Howard Director of Strategic Business Support and Directors of Commissioning and Provision | Quarter 4 |
| KASS08 - 2010 | Voluntary Organisations | Cumulative Audit Knowledge & Experience | 35 | Compliance with procedures for procuring services in the voluntary sector for Mental Health, Occupational Therapy and Care Services and effectiveness of service provided. | Janet Hughes/Margaret Howard Directors of Commissioning & Provision | Quarter 4 |
| KASS09 - 2010 | Swift – Client Billing | Management request | 20* | Post implementation Review. | Director of Strategic Business Support | Quarter 1 |
| | Total – Kent Adult Social Services | | 245 | *45 days relate to audits that cover ICT areas. | | |

VII. Environment and Regeneration

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-------------|-------------------------------------|-------------------------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------|
| | | | | Comments | Audit Owner | Timing |
| ER01 - 2010 | Kent Highway Services | Follow up to previous audit work | 35 | Further work to evaluate application of costings. | Caroline Bruce Interim Director of Kent Highways Services | Quarter 1/2 |
| ER02 - 2010 | Kent Thameside Regeneration | Management request | 30 | Review of how the engagement strategy is being applied in practice for the Kent Thameside regeneration project. Review to assess the adequacy and effectiveness of the reporting and governance arrangements for the project. | Director, Economic Development | Quarter 2 |
| ER03 - 2010 | Ashford Regeneration | Management request | 30 | Review of how the engagement strategy is being applied in practice for the Ashford regeneration project. Review to assess the adequacy and effectiveness of the reporting and governance arrangements for the project. | Director, Economic Development | Quarter 2 |
| ER04 - 2010 | Manston development | Management request | 25 | Review of the decision making process to ensure that decisions were made with full knowledge of potential risks. | Director, Economic Development | Quarter 3 |
| ER05 - 2010 | Kent Freedom Pass | Management request | 25 | Review of the Freedom Pass scheme to ensure that a sufficiently robust evaluation took place to inform consideration of extending the scheme to other parts of the County. The audit will review processes around reimbursements to the bus companies. | Caroline Bruce Interim Director of Kent Highways Services | Quarter 3 |
| ER06 - 2010 | Performance and Data Quality | Cumulative Audit Knowledge and Experience | 30 | Evaluation of quality of data used to underpin the planning process within Waste and KHS. | Alan Loft Director of Resources | Quarter 4 |

| Ref. | Audit | Reason for Audit | Days | Audit Details | | |
|-------------|---------------------------------------------------------|-----------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------|
| | | | | Comments | Audit Owner | Timing |
| ER07 - 2010 | Allington Incinerator | Brought forward from 2008/09 | 25 | Assurance as to the effectiveness of the systems to support the operation of the waste to energy plant. Deferred from 2008/09. | Caroline Arnold Head of Waste Management | Quarter 3 |
| ER08 - 2010 | Kent Highway Services – Road Works Permit scheme | Management request | 25 | Examination of operation of the Road Works Permits, ensuring that the scheme is operated on a cost neutral basis. (This audit is dependent upon DoT authority to operate). | Caroline Bruce Interim Director of Kent Highways Services | Quarter 4 |
| ER09 - 2010 | MIDAS | Cumulative Audit Knowledge & Experience | 20* | Review of application controls and management of the operation of the system, eg backups, changes etc. Processes around interfacing into Oracle. | Richard Hallett Directorate Finance Manager | TBC |
| | Total – Environment and Regeneration | | 245 | *20 days relate to audits that cover ICT areas. | | |

VIII. Summary

| Audit | Comments |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| | Days |
| Authority Wide | 290 |
| S151 reviews | 275 |
| Chief Executives Department | 160 |
| Children, Families and Education | 330 |
| Communities | 110 |
| Kent Adult Social Services | 245 |
| Environment and Regeneration | 245 |
| Fraud and Investigations. Work to include <ul style="list-style-type: none"> ▪ Publication of Irregular Happenings ▪ Pro Active Fraud work on expense claims – See AW07 ▪ National Fraud Initiative ▪ Fraud Awareness training ▪ Investigations as and when required | 8 15 40 12 125 |
| Grant Claims - Certification of grant claims | 70 |
| Follow up on prior years audits to ensure agreed recommendations have been appropriately implemented. | 20 |
| Advice and Information to directorates, includes attendance at meetings where required, eg ICT Operations Board, FMG, draw down meetings; working groups and IA consultancy work to drive improvement | 135 |
| Total Days | 2080 |

Appendix 1

Cumulative Audit Knowledge and Experience

Cumulative Audit Knowledge and Experience has arisen through the following:-

- Work done with the Service in the past
- Regular meetings with Directorates
- Issues raised at various meetings
- Known risks and risk assessments
- Wider local government issues
- Past history of errors and irregularities
- Advice received from external auditors
- Planning meetings with directorates

Audit Progress Report

Kent County Council

Audit 2008/09

February 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Introduction

- 1 Our audit and inspection work is detailed in our audit and inspection plans which are presented to the Governance & Audit Committee. The plans set out a number of areas of work and this report provides a summary of progress to date against the 2007/08 and 2008/09 plans. This report summarises our work to January 2008. Further progress reports will be issued to future meetings of the Committee.

Background

- 2 Our plans set out our work in the following areas:
 - financial statements (including those relating to the Superannuation Fund) and Whole of Government Accounts;
 - value for money conclusion;
 - use of resources scored assessment;
 - risk-based use of resources;
 - data quality;
 - National Fraud Initiative; and
 - grant claims and returns.
- 3 An update on each of these is set out in the following sections of this report.

Progress update

Financial statements and Whole of Government Accounts 2007/08

- 4 An unqualified audit opinion on the Council's financial statements for 2007/08, including the Superannuation Fund, was given in July 2008. In advance of this we presented our Annual Governance Report to the Committee in June 2008 which summarised key conclusions from the audit and since then we have issued a more detailed report to officers to assist with next year's arrangements for the production and audit of the statements.
- 5 Our financial statements work was split into two main phases. The first was a review of the Council's key financial and information systems that contribute to the production of statements to see if we can rely upon them to produce accurate data for inclusion in the statements. The second is the work we undertake after the statements have been produced and involves a range of audit procedures such as analytical review and detailed testing of a sample of entries within the statements.
- 6 In undertaking our work we liaised closely with officers responsible for the production of the statements to ensure that they were familiar with our approach and were aware of the support we required in order to meet the challenging timetable that had been agreed with the Council for the giving of our audit opinion. We also liaised closely with Internal Audit and by doing so sought to maximise the benefit of the total audit resource available to the Council.
- 7 We certified the Council's Whole of Government Accounts return after detailed audit work was completed. This was in line with the timetable set out by the Treasury.

Value for money conclusion 2007/08

- 8 Using the framework for assessment set out by the Audit Commission centrally, we issued a formal conclusion confirming that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources as part of our audit opinion on the financial statements for 2007/08.

Use of resources scored assessment 2007/08

- 9 We are required by the Audit Commission to undertake a scored assessment of the way the Council used its available resources to support the Council's achievement of its priorities each year. This work was reported publicly by the Audit Commission in December 2007 as part of the Commission's Corporate Performance Assessment (CPA) of the Council. We have reported our findings to officers and this is included within the agenda papers for the Committee's meeting on 4 March 2009..

- 10 The approach to 2008/09 assessment of the Council's arrangements will change significantly as it reflects the needs of the new Comprehensive Area Assessment of the Council which replaces CPA. We made a presentation to the Corporate Policy Overview Committee in January 2009 and are liaising with officers.
-

Data quality 2007/08

- 11 We assessed the management arrangements for data quality across the Council which included:
- an analytical review of the main performance indicators reported including a follow-up where the performance indicators that have moved significantly year-on-year and/or are outside plausible values; and
 - testing of a small sample of indicators to determine whether the arrangements to secure data quality are delivering accurate, timely and accessible information in practice.
- 12 We concluded that data quality performance management systems were effective. A detailed report has been issued to officers and is included within the agenda papers for the Committee's meeting on 4 March 2009.
-

National Fraud Initiative 2007/08

- 13 The Council participates in the Audit Commission's scheme that facilitates comparison of computerised data supplied by a number of bodies in order to highlight potential cases of fraud. The 2007/08 data has recently been submitted to the Commission by the Council and matches for further investigation should be returned to the Council in early 2009.
-

Grant claims and returns 2007/08

- 14 Each year we are required to complete a specified programme of audit work on a number of claims and returns. This work is completed and there are no matters to bring to the Committee's attention.
-

Risk based use of resources work 2007/08 and 2008/09

- 15 Within our plans for 2007/08 and 2008/09 we highlighted some areas where we would undertake some specific work. In some cases this related to short-reviews to develop our knowledge of the Council or where we would maintain a watching brief on the Council's arrangements. There were a small number where we planned to undertake more detailed reviews. An update on progress is shown at Appendix 1 for 2007/08 work and Appendix 2 for 2008/09.

Progress on other audit work 2008/09

- 16** Our financial statements opinion work for the year ending 31 March 2009 which includes the audit of the Superannuation Fund is being planned. We have met with officers including those from Internal Audit as part of this and further meetings will be held in the coming months.
- 17** The difficulties experienced across the public sector as a result of the financial problems of some Icelandic banks led to the Audit Commission undertaking a national survey of treasury management arrangements in all principal local authorities. A return has been submitted by the Council and the Commission will report publicly in due course.

Appendix 1 – Use of resources work 2007/08

| Potential risks identified | Planned work set out in 2007/08 plan | Progress to date |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The governance arrangements for the children's trust are unclear. | We will work with officers to gain an understanding of the governance framework for the children's trust. | We identified the arrangements in place and relied on the findings from the Joint Area Review (JAR) that will be undertaken by the Commission in early 2008. Recent discussions with officers have confirmed that the arrangements are operating appropriately. No further work is planned. |
| Ineffective approach to the set up and management arrangements for partnerships result in failure to achieve desired outcomes. | <p>We will work with officers to gain an understanding of the effectiveness of a range of partnerships across the Council such as Kent Commitments.</p> <p>We will consider the impact of the Council's planned actions in response to the corporate risk it has identified.</p> <p>We will seek to contribute to the Council's existing arrangements based on our previous experience of working in this area at other authorities.</p> | The Council has produced guidance to assist its officers maximise the benefits from partnership working and to ensure that effective governance arrangements are in place to deliver the outcomes expected. We have liaised with Internal Audit and have considered its recent work which is nearing completion. Based on the findings no further work is planned by us. |

| Potential risks identified | Proposed work set out in 2007/08 plan | Progress to date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Social care services are put under increased pressure as a result of difficulties in the local health economy. Consequences include redirection of resources from prevention to acute services and increased delayed discharges.</p> | <p>We will review the Council's response by using one of our health care specialists who has undertaken work on similar risks previously. We will consider whether there are benefits to be gained from a whole systems review of the health economy and if so will discuss the coverage and fee for this work.</p> | <p>We have continued to develop our knowledge of the Council's interactions with its NHS partners and have noted that this is a complex area. We plan no further work in this area following the Corporate assessment findings in 2008 which concluded that the Council provides and commissions effective care to help people to return to their homes from hospital, with several impressive new partnership projects in place.</p> |
| <p>Private Finance Initiative (PFI) projects do not offer good value for money. Accounting for PFI contracts is inappropriate.</p> | <p>We need to gain an understanding of the schemes operating and those being planned to ensure that the risks associated with such schemes are being effectively managed such that they offer good value for money. We also need to establish that accounting entries are appropriately recorded.</p> | <p>Following our work on the 2007/08 financial statements we have gained knowledge of the schemes in place. We will build on this in early 2009 by undertaking an overview of the management arrangements for the performance management of the existing schemes. In 2008 we have worked closely with your officers as part of formalising the accounting arrangements for the Kent Better Homes Active Lives PFI and the initial Building Schools for the Future contract. We will continue to liaise with officers about other planned schemes.</p> |

| Potential risks identified | Proposed work set out in 2007/08 plan | Progress to date |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Information technology (IT) and associated systems do not effectively support the protection of vulnerable citizens.</p> | <p>We need to gain assurance as to effectiveness of information systems that seek to safeguard vulnerable citizens.</p> <p>We will consider the need for an information governance audit and if required will discuss the coverage and fee for this work.</p> | <p>We undertook an overview of the systems in place to protect children and young people and based on that work we concluded that the arrangements were appropriate. We are aware that the multi-agency safeguarding policy, protocols and guidance has been signed by all relevant agencies. The findings from the JAR in 2008 highlighted no concerns.</p> <p>We were aware that the IT systems for adults have been reviewed by the Council. The Corporate Assessment found that the Council and its partners have very good and wide-ranging safeguarding arrangements in place. Given this and that the Commission for Social Care Inspection has announced that it will undertake a service inspection in early 2009 which will include a detailed review of 'safeguarding' no further work will be undertaken.</p> |
| <p>IT systems do not provide accurate data for the preparations of the financial statements on which an unqualified opinion can be given.</p> | <p>To comply with the International Standards on Auditing (ISA) and to give an opinion on the financial statements, we need to understand and appraise the Council's material financial and information systems.</p> | <p>We completed our risk assessment of the Council's general IT control environment for 2007/08 and, based on the work undertaken, we concluded that the control environment is low risk in terms of our opinion on the Council's financial statements.</p> |
| <p>The Council does not obtain a good or better rating at the Corporate Assessment/JAR in 2008.</p> | <p>We will provide support to the Council in its preparations such as workshops for officers to support the Council's preparations.</p> | <p>As agreed with officers, we made a presentation to assist the Council in its preparations for the Corporate Assessment/JAR in early 2008.</p> |

| Potential risks identified | Planned action set out in 2007/08 plan | Progress to date |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Internal audit arrangements are not effective following the restructuring recently undertaken and reliance cannot be placed on its work in support of our statutory functions.</p> | <p>To comply with the ISA requirements and to support our work on the opinion on the financial statements we will undertake a review of Internal Audit against the Chartered Institute of Public Finance & Accountancy (CIPFA) code of practice for internal audit in local government. We will seek to gain high level assurance that Internal Audit's work can be relied upon.</p> | <p>We have completed our work and concluded that Internal Audit provides an effective service. A copy of our report is included in the agenda papers for the Governance & Audit Committee's meeting on 4 March 2009.</p> |

Appendix 2 - Use of resources work 2008/09

| Potential risks identified | Planned action in 2008/09 plan | Progress to date |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>There has been significant public comment about the Council's commercial operations and the possibility that the Council is subsidising them from council taxpayers' monies.</p> | <p>A review of the financial relationship between the Council and a sample of its subsidiaries and its other commercial undertakings will be completed to establish if there is any evidence of subsidisation.</p> | <p>Our work is nearing completion. We have met with the Trading Activities sub-group of the Governance & Audit Committee and with representative from the local business community. We expect to report in April 2009.</p> |
| <p>The Council is involved in a large number of partnerships and some of the arrangements are complex. Delivery of some Council services is done in partnership with other organisations so the effectiveness of services depends upon good partnership working.</p> | <p>To undertake a review of the effectiveness of partnership working focusing on the Council's working arrangements with the voluntary sector and with the East Kent local health economy.</p> | <p>Our project brief is expected to be agreed with officers in March 2009.</p> |
| <p>There is evidence of health inequalities across the county-area. Joint working with health partners in the National Health Service (NHS) is needed order to tackle the inequalities that exist.</p> | <p>To undertake a county-wide overview with NHS bodies to identify the nature and causes of health inequalities in Kent.</p> | <p>A project brief has been agreed with all partners. Our review consists of two stages which are a self-assessment survey by the partners and workshop with each of the health/wellbeing panels (East Kent) /health action teams (West Kent)/Partnership Board (Medway) to feedback the survey findings and to discuss the implications. We aim to complete this work in the first half of 2009.</p> |

| Potential risks identified | Planned action in 2008/09 plan | Progress to date |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Council is entering into an agreement with NHS partners for the provision of services for adults with learning disabilities. Effective governance arrangements, including the determination of financial contribution rates, need to be established and reviewed to ensure that the services deliver meet users' needs and offer good value for money.</p> | <p>A working party involving the Council and its NHS partners has been established with the aim of preparing an agreement which delivers appropriate services at expected costs and we will attend these meetings to monitor progress.</p> | <p>We have attended meetings regularly and will continue to do so. To date the partners are working effectively together and progress has been made.</p> |

By: Charles Findlay – Chair of Governance and Audit Committee
Lynda McMullan – Director of Finance

To: Governance and Audit Committee

Subject: **AUDIT COMMISSION INTERNAL AUDIT REVIEW 2007/08**

Classification: Unrestricted

File Ref:

Summary: A review of internal audit is undertaken the by external auditors to determine whether they can place reliance upon internal audit's work. This review was undertaken as part of the 2007/08 final accounts audit.

FOR APPROVAL

Introduction

1. Being able to place reliance on the work of internal audit is a key theme of the external auditor's audit approach. In order to do this, they have to undertake a triennial full review of internal audit. 2007/08 was the first year of the Audit Commission's external audit appointment and consequently the first opportunity they have had to perform such a review.
2. The approach was based on the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Internal Audit, with due regard to the relevant International Standards on Auditing (ISA 610).

Approach

3. The internal audit function was reviewed against ten criteria, as set out in the report. These criteria were grouped according to organisational and operational standards. The work involved review of documentation, as well as reviewing specific audit reports and files covering Accounts Payable, Accounts Receivable and Treasury Management.

Main conclusions

4. The principal strengths identified are as follows:
 - Internal Audit has appropriate status and is highly regarded within the Council. Proactive fraud and corruption work is undertaken and training in this respect is provided to a large number of officers and members
 - The work of internal audit is properly planned, supervised, reviewed and reported, with progress against the plan and annual targets being reported to the Governance and Audit Committee

- Terms of reference include sufficient detail
 - Staff have appropriate skills and training to undertake their work effectively
5. The following areas for improvement to ensure full compliance with the Code of Practice for Internal Audit in Local Government were identified:
- Internal Audit's Terms of reference should include an assessment of available resources. An assessment is made as part of annual audit planning, but not commented on formally in the terms of reference in the Audit Charter
 - The Code requires the Head of Audit & Risk to regularly remind staff of their ethical responsibilities. The majority of internal audit staff are members of a professional body, so this has not been routinely carried out during the year. The requirement is now included on the regular team meetings agenda
 - There is no formal policy for the rotation of Internal Audit staff.
6. The report includes a number of recommendations to address these issues.

Recommendation

7. Members are asked to accept the external auditors' report and to note recommendations

Janet Dawson
Head of Audit and Risk
Ext: 4614
24 February 2009

Internal Audit Review

Kent County Council

Audit 2007/08

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The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Introduction

- 1 Being able to place reliance on the work of Internal Audit is a key theme in our audit approach and in order to do this, we have to carry out a full review of Internal Audit every three years. Furthermore, International Standard on Auditing (ISA+) 610 (Considering the work of Internal Audit) requires us to perform 'an assessment of the Internal Audit function when internal auditing is relevant to the external auditor's risk assessment'.

Background

- 2 Such a review was due in the 2007/08 audit year as it was the first year of the Audit Commission auditing Kent County Council. The main review was completed between January and May 2008.

Audit approach

- 3 Our approach to the review was based on the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Internal Audit and ISA+610 and our objective therefore was to establish that the Internal Audit department is structured and operating in accordance with that Code and the ISA. To this end we reviewed the Internal Audit function against ten criteria under two headings:

Organisational standards

- Scope
- Independence
- Audit Committees or equivalent
- Relationships with management, other auditors and other review bodies
- Staffing, training and development

Operational standards

- Audit strategy
 - Management of audit assignments
 - Due professional care
 - Reporting
 - Quality assurance
- 4 Our work on Organisational Standards consisted mainly of obtaining and reviewing documents that evidenced the various criteria. Our work on Operational Standards consisted mainly of reviewing specific work undertaken by Internal Audit on the following material systems: Accounts Payable, Accounts Receivable and Treasury Management. This review also formed the basis of our pre-statement testing work on these systems.

Main conclusions

- 5 The detailed conclusions we reached under each of the ten headings are set out in Appendix 1.
- 6 Our key conclusions are as follows:
- Internal Audit has appropriate status and is highly regarded within Kent County Council. They undertake proactive fraud and corruption work within the Council and have provided training in this area to a large number of officers and members. This gives further assurance to our findings that there are no constraints placed on Internal Audit;
 - The work of Internal Audit is properly planned, supervised, reviewed and reported. Progress against the audit plan and annual targets is reported to members of the Governance & Audit Committee;
 - The Terms of Reference (ToR) includes detailed deliverables by the Internal Audit function. In addition, there are specific ToR for every audit which sets out the planned work and reporting deadline as agreed with the relevant manager;
 - Internal Audit staff have the appropriate skills and training to undertake their roles effectively. There is a Quality Assurance Group that examines the quality of the audit files and monitors the results of the client feedback questionnaires to ensure the work of Internal Audit remains highly valued.
- 7 We identified the following areas for improvement to ensure full compliance with the Code of Practice for Internal Audit in Local Government:
- Internal Audit's Terms of Reference (ToR) comply with the criteria set out in the Code with the exception of an assessment of Internal Audit resources. An assessment is made as part of the annual audit planning but not commented on formally in the ToR in the Audit Charter;
 - The Code requires the Head of Audit & Risk to regularly remind staff of their ethical responsibilities. The majority of IA staff are members of a professional body so this has not been routinely carried out during the year. The Council has now included this requirement on the agenda for team meetings; and
 - There are procedures in place outlining the assignment of staff to service areas that they have been operationally or actively involved in the previous year and audit responsibilities are rotated from time to time. However, there is no formal policy for the rotation of Internal Audit staff.
- 8 Our overall conclusion is that Internal Audit provides an effective service. It has a positive reputation and standing within the Council which allows it to contribute fully to the corporate governance framework. We can rely on the work of Internal Audit where it is relevant to, and has an impact on, our external audit work.

Appendix 1 – Detailed Conclusions

| Organisational standards | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope | The purpose, authority and responsibility of Internal Audit is formally defined in Terms of Reference which on the whole are consistent with the Code and establish clear objectives, reporting lines and responsibilities. |
| Independence | We were able to conclude that the Internal Audit function meets the principles of independence contained in the Code and has appropriate status within the Council. |
| Relationships | Internal Audit has established effective working relationships with management and external audit. |
| Audit Committee | We were able to conclude that Internal Audit has an effective relationship with the Governance & Audit Committee. The Head of Audit & Risk reports to every Committee meeting. |
| Staffing, training and development | Internal Audit staff are appropriately and adequately trained and qualified and there are sufficient numbers to undertake and complete an extensive annual audit plan. |

| Operational standards | |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit strategy | The Head of Audit & Risk develops a strategic annual audit strategy which covers how the service will be delivered, the resources and skills necessary for delivery and how the assurance for the annual statement on internal control will be demonstrated. The strategy is approved by the Governance & Audit Committee. |
| Management of assignments | Assignments are planned and undertaken in accordance with the Code and where recommendations have been made for management action, these are followed up. |
| Due professional care | We concluded that assignments are handled with due professional care as defined in the Code. |
| Reporting | Audit work is reported upon to the relevant managers in a clear and constructive manner. Findings are discussed with management and prioritised to clearly represent the |

| Operational standards | |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | risk attached. The Head of Audit & Risk reports on a quarterly basis on Internal Audit's progress against the work planned for the year and against audit recommendations made in previous audits. |
| Quality assurance | There is an extensive quality manual available to all Internal Audit staff on the Council's intranet that covers all the criteria contained within the Code. |

By: Charles Findlay - Chairman of Governance and Audit
Committee
Lynda McMullan - Director of Finance

To: Governance and Audit Committee – 4 March 2009

Subject: Use of Resources 2007-08

Classification: Unrestricted

Summary: This report asks Members to note the use of resources judgements outlined in the report.

1. Introduction

- 1.1 The Use of resources assessment on the 2007/08 audit is contained in the attached report. Our overall assessment remains at level 4 – the highest level.
- 1.2 The table on page 4 provides a comparison between the 2008 assessment and the 2007 assessment.

2. Recommendation

- 2.1 Members are asked to note the 2007/08 Use of Resources assessment.

Lynda McMullan
Director of Finance
Ext: 4550

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Use of Resources

Kent County Council
Audit 2007/08

DRAFT

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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Introduction

- 1 The Use of Resources assessment evaluates how well councils manage and use their resources. This is the fourth assessment carried out at Kent County Council and is the last under the CPA framework. Next year there will be a new assessment which will form part of the Comprehensive Area Assessment.
- 2 The Use of Resources assessment focuses on the importance of having strategic financial management, sound governance and effective financial reporting arrangements to help in the delivery of the Council's priorities, to improve services and deliver value for money. This assessment relates to the financial year 2007/08 and is based on the key lines of enquiry for 2008. Changes to the criteria underpinning the key lines of enquiry were consulted on in April 2007 and the final key lines of enquiry were published in August 2007 to:
 - reflect developments in professional guidance, legislative requirements and best practice; and
 - signal some of the changes proposed for the new use of resources under CAA, smoothing the transition to CAA.
- 3 The overall use of resources assessment is made up of five themes. Judgements have been made for each theme using the Audit Commission's scale below (Table 1). This scale is used across its inspection and performance assessment frameworks.

Table 1 Standard scale used for assessments and inspections

| | |
|---|-----------------------------------------------------------|
| 1 | Below minimum requirements – inadequate performance |
| 2 | Only at minimum requirements – adequate performance |
| 3 | Consistently above minimum requirements – performing well |
| 4 | Well above minimum requirements – performing strongly |

- 4 In forming our assessment, we have used the methodology set out in the Use of Resources Guidance for Councils 2008, which can be found on the Commission's web site.

Main conclusion

- 5 The Council has robust effective arrangements in place across all areas of the use of resources assessment. It has maintained an overall 'performing strongly' assessment. A summary of the Council's arrangements within each of the themes is set out below.

| theme | 2008 assessment | 2007 assessment |
|------------------------------------|-----------------|-----------------|
| financial reporting | 3 | 4 |
| financial management | 4 | 4 |
| financial standing | 3 | 4 |
| internal control | 3 | 3 |
| value for money | 4 | 4 |
| overall use of resources judgement | 4 | 4 |

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Theme summaries

Financial Reporting

- 6** The Council produced its 2007/08 financial statements in advance of the statutory deadline. The statements were of a good quality and an unqualified audit opinion was issued on 25th July 2008. The audit identified a small number of non-trivial errors, many of which were amended in the accounts approved by members, and highlighted some areas of qualitative non-compliance with the Statement of Recommended Practice. Officers have agreed to consider this for future years, and to seek further improvement in the quality of working papers (supporting the accounts) provided at the start of the audit.
- 7** The Council's external accountability is notable. The annual plan is produced in a variety of formats to ensure it is accessible for all Kent residents and the summary accounts are included in a publication sent to all households. In March 2008 the Council achieved a score of level 3 for Equalities Standards in Local Government. An environmental strategy has been in place since 2005 and the Council has analysed and reported on its environmental footprint. An action plan is in place to further reduce its carbon footprint in the future.

Financial Management

- 8** Arrangements for delivering the Council's strategic priorities are soundly based. The medium-term financial strategy, budgets and capital programme are well developed and monitoring is undertaken by management and members. The medium-term financial strategy is considered best practice and has been used by other bodies to improve their own strategies.
- 9** The Council has robust budget monitoring arrangements which involve directorates, central finance, IMG and Cabinet on a regular basis. Financial and non-financial information is interlinked and presented in a comprehensive and transparent report for officers and members. The need for robust arrangements is led by the executive and is widely accepted and acted upon by all staff.

- 10 There are good arrangements in place for managing the Council's asset base via the Asset Management Plan and Maintenance Strategy. Senior officers and members are able to make investment and disposal decisions based on thorough option appraisals.

Financial Standing

- 11 The Council set a balanced budget and has a detailed medium-term financial strategy setting out the financial pressures and challenges it faces. Robust budget monitoring arrangements, including a set of locally developed financial health indicators, are used to maintain spending within budgets. There is a clear treasury management policy in place. A review has recently been commissioned by the Council to examine if its treasury management policy had been followed. The Council had a material sum of money invested in Icelandic Banks at the time of their collapse and is taking appropriate action to recover its investment.

Internal Control

- 12 The Council actively involves officers and members in risk management arrangements. There is a robust risk management policy in place which is supported by detailed directorate and strategic risk registers. Risk management training has been provided for officers and members of the Governance and Audit Committee with a further programme of training and workshops planned in 2008/09. The reporting template for strategic policy decisions has been revised after the year end to include a sustainability impact appraisal.
- 13 Arrangements for maintaining a sound system of internal control are well developed. The Governance and Audit Committee is effective providing robust challenge to officers and auditors. Each directorate has a business continuity plan and the Council is currently developing a testing strategy of these plans. An example of the effectiveness of business continuity arrangements, working with other public sector bodies, was the delivery of key support services to residents during the Tour de France.
- 14 The Council takes a proactive approach to ensure probity and propriety in the conduct of its business. There are clear arrangements in place for officers and members to adhere to. Internal Audit has continued to provide support in relation to fraud and corruption arrangements by publishing information of proven frauds in the 'Irregular Happenings' magazine and providing training to a large number of officers.

Value for Money

- 15 The Council is highly performing. General performance is very good for the monetary input, and the council is showing improvement in performance in GCSEs, primary school attainment and with one of the highest uptakes in nursery school placements resulting in improved performance at Key Stage 1 with Kent now exceeding the national average at reading, writing and maths. Fostering costs are low with substantial use of placements near a child's home. The council is cutting the level of schools carrying high balances. Recycling is improving and ambitious targets have been set in LAA2 to improve VFM in environment, bolstered by a waste incinerator that will make significant savings compared to landfill. Any areas of overspend that are identified are managed and plans put in place to address them, for example, on Asylum Seekers that particularly affects this county. The capital programme is linked well to the

Main conclusion

medium-term financial strategy, delivering resources to bolster “Towards 2010” and all projects have to have a full options appraisal with the evaluation of costs relating to key policy decisions being undertaken as part of the budget setting and MTFS processes.

- 16** Efficiency gains targets have been exceeded and cumulative savings of £91m were achieved by March 2008. The Council is adept at obtaining external funding and targeting spend to corporate priorities. The Council makes good use of CIPFA’s online statistical service to monitor its position against other councils. Benchmarking of selected local services has been undertaken to complement the profiles tool. The VFM Board also takes collective responsibility as the Council’s “efficiency champion”, and has enabled a range of VFM reviews to take place looking at specific services where it was felt that VFM could be improved. Data quality is embedded in directorates and is thorough. The Council has a history of using IT to improve engagement of the public. It has also worked with district councils to produce Gateways to improve access by hard to reach groups. Its commercial services are used to deliver procurement savings for the whole county and other public sector bodies. Over the last few years the service has been effective in reducing costs of service delivery and procurement savings.

Use of resources 2008/09

- 17** From 2008/09, the auditors' assessment of use of resources will be based on new key lines of enquiry and will form part of the new performance assessment framework for local government and its partners, known as Comprehensive Area Assessment (CAA).
- 18** Key lines of enquiry for use of resources were published in May 2008 following consultation. These reflect the needs of CAA and incorporate a number of improvements including: a clearer focus on value for money achievements and further emphasis on commissioning of services, outcomes for local people and partnership working.
- 19** The assessment is structured into three themes:
- managing finances: sound and strategic financial management;
 - governing the business: strategic commissioning and good governance; and
 - managing resources: effective management of natural resources, assets and people.
- 20** The approach to use of resources will continue to be risk based and proportionate, drawing on evidence from previous years where relevant. Not all key lines of enquiry in the managing resources theme will be assessed each year. For single tier and county councils auditors will assess natural resources and strategic asset management (where there is continuity with 2008).
- 21** The Commission will specify each year in its annual work programme and fees document which key lines of enquiry will be assessed in that year.

Appendix 1 Use of resources judgements

Summary of scores at theme and KLOE level

| Key lines of enquiry (KLOEs) | Score 2008 | Score 2007 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Financial reporting | 3 | 4 |
| 1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers. | 3 | 4 |
| 1.2 The Council promotes external accountability. | 4 | 4 |
| Financial management | 4 | 4 |
| 2.1 The Council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities. | 4 | 4 |
| 2.2 The Council manages performance against budgets. | 4 | 4 |
| 2.3 The Council manages its asset base. | 3 | 3 |
| Financial standing | 3 | 4 |
| 3.1 The Council manages its spending within the available resources. | 3 | 4 |
| Internal control | 3 | 3 |
| 4.1 The Council manages its significant business risks. | 3 | 3 |
| 4.2 The Council has arrangements in place to maintain a sound system of internal control. | 3 | 3 |
| 4.3 The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business. | 3 | 4 |
| Value for money | 4 | 4 |
| 5.1 The Council currently achieves good value for money. | 4 | 4 |
| 5.2 The Council manages and improves value for money. | 4 | 3 |

By: Charles Findlay - Chair of Governance & Audit Committee
Lynda McMullan - Director of Finance

To: Governance and Audit Committee – 4 March 2009

Subject: **DIRECTORATE RISK REGISTERS**

Classification: Unrestricted

Summary: To present the refreshed directorate risk registers.

FOR INFORMATION

INTRODUCTION

1. The directorate risk registers have been refreshed and the content agreed by the respective directorate management teams. This is an annual exercise timed to coincide with the preparation of the new Business Plans.
2. The entries within the registers represent the key risks identified across each directorate which may impact upon the achievement of their objectives.
3. Refreshed registers were presented to POCs in January 2009 and are now presented to this Committee to inform members understanding about key risks facing directorates.
4. Members will be aware that the inclusion of risks within these registers does not necessarily mean there is a problem. On the contrary, it reflects the fact that officers are aware of them and have devised strategies for the implementation of mitigating controls.

OVERVIEW OF REGISTERS

5. The risks identified within the attached registers range from 'business as usual' operational activities through to those that will change the way we work in the future. A total of 100 risks have been recorded and are summarised below.

Table 1. Number of risks within registers as at January 2009

| Directorate | No. of risks within register | No. of risks with 'HIGH' residual rating |
|--------------------------------|-------------------------------------|-------------------------------------------------|
| Chief Executive's Dept | 20 | 7 |
| Children, Families & Education | 18 | 3 |
| Kent Adult Social Services | 11 | 5 |
| Environment & Regeneration | 33 | 4 |
| Communities | 18 | 1 |
| Total | 100 | 20 |

6. Directorates have assessed the profile of their own risks using the standard matrix shown below. Only the residual score for each risk is recorded within registers. This indicates the potential level of risk that remains on the assumption that all mitigating controls have been implemented and are working effectively.

| | | | | | | | |
|--------------------|---------------|---|----------|--------------|--------------|--------------|--------------|
| Likelihood | Very likely | 5 | 5 Low | 10 Medium | 15 Medium | 20 High | 25 High |
| | Likely | 4 | 4 Low | 8 Medium | 12 Medium | 16 High | 20 High |
| | Possible | 3 | 3 Low | 6 Low | 9 Medium | 12 Medium | 15 Medium |
| | Unlikely | 2 | 2 Low | 4 Low | 6 Low | 8 Medium | 10 Medium |
| | Very Unlikely | 1 | 1 Low | 2 Low | 3 Low | 4 Low | 5 Low |
| RISK RATING MATRIX | | | 1 | 2 | 3 | 4 | 5 |
| | | | Minor | Moderate | Significant | Serious | Major |
| | | | Impact | | | | |

7. The attached registers replicate some of the risks recorded within the Strategic risk register. This replication is unavoidable where risks are directorate specific and need to be shown in each register for control and information purposes. The Strategic risk register is currently being refreshed and will be presented to the Committee in June.
8. Within the registers a total of 20 entries have 'HIGH' residual rated risks which means that even with controls in place and working there still remains a significant likelihood of the event occurring and having a serious impact upon objectives. These are the risks that require the closest attention.
9. A summary of these risks is provided. Those risks that appear for the first time with a 'HIGH' rating have been italicised for easy identification. All other risks were reported as 'HIGH' within registers presented to the Committee in March 2008.

Table 2. Summary of 'HIGH' residual rated risks

| Directorate & risk number | Description of risk |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>CED No. 3(b)</i> | <i>Major accidents / breaches of legislation may result in an inability to deliver services and trade</i> |
| <i>CED No. 6(b)</i> | <i>Loss of staff with key skills and knowledge could impact on the delivery of services</i> |
| <i>CED No. 8</i> | <i>Constraints of government funding due to significantly deteriorating public finances</i> |
| <i>CED No. 9</i> | <i>Financial and economic deterioration of UK wide economy spills over into the wider fabric of society with consequential pressures upon all KCC services</i> |
| <i>CED No. 10</i> | <i>Treasury management - potential loss of principal sum</i> |
| <i>CED No. 11(b)</i> | <i>Scale and condition of assets may impact upon office provision</i> |
| <i>CED No. 12</i> | <i>Targeted ICT savings may not be fully realised in line with predictions</i> |
| CMY No. 1.1 | Reduction / cessation of external funding and grants |
| CFE No. 1 | Current national economic conditions including rising costs of services |

| | |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | impacts upon affordable activity |
| CFE No. 2 | Early years local and national standards are not achieved |
| CFE No. 3 | Budget pressures due to implementation of SEN transport policy and changes in the Educations & Inspections Act 2006 |
| <i>KASS No. 1</i> | <i>Impact of the recession increases demand for services</i> |
| KASS No. 2 | Increase in referrals outstripping resources |
| KASS No. 3 | Health Economy – pressures upon preventative services |
| KASS No. 4 | Disproportionate numbers of people in need across the age range being placed in Kent by other local authorities or have move into the area from other parts of the country. |
| <i>KASS No. 7</i> | <i>Increased pressure on Learning Disability services due to LD transfer from NHS</i> |
| E&R – KHS.1 | CTRL claim |
| <i>E&R – SP.2</i> | <i>Kent Environment Strategy has set a wide-ranging and ambitious programme</i> |
| <i>E&R – SP.3</i> | <i>Replacement of planning applications system</i> |
| <i>E&R – SP.10</i> | <i>Policy development in relation to Minerals & Waste Development Scheme</i> |

10. From the registers the following points are highlighted for information:

- a. There have been minimal changes to the number of risks listed and ratings in the Communities and Kent Adult Social Services directorate registers.
- b. Within the Children, Families & Education directorate register there has been a decrease in the number of entries listed as HIGH and an increase in the number listed as MEDIUM.
- c. Listed entries within the Environment and Regeneration and Chief Executive's directorate registers have increased and now provide a more comprehensive record of risks within these directorates.
- d. There are a significant number of HIGH risks associated with the economic downturn. The majority of these can be found in the CED directorate register as this contains those risks specifically identified by Corporate Finance.
- e. The description of risks and control measures within all registers has been improved.

Policy Overview Committees

11. As mentioned at paragraph 3 directorate risk registers were presented to their respective POCs in January 2009. Points of interest raised during discussion at one or more committees included:

- Assurance provided that risks were being identified and acted upon
- Assurance provided that key risks within directorates have been

- captured and approved by senior managers
- The rating of a risk is subjective but based on experience
- Where a risk has a 'HIGH' residual rating contingency plans have been developed
- Registers are 'live' documents. Risks may disappear from the directorate register but may still appear within a lower level register
- Discussion around risks relating to the recruitment of youth workers, climate change, credit crunch, recession, income generation, IT systems, risks of the 'unknown' and succession planning
- Speed of response to changing risk profiles i.e. fraud

12. The following points are to be considered:

- The moderating of risk scores between directorates in relation to cross cutting risks
- Dates for implementation / completion of mitigating controls to be recorded within registers

STATUS OF 'HIGH' RISKS REPORTED IN MARCH 2008

13 A summary of the 'HIGH' rated residual risks within the registers presented to the Committee in March 2008 is set out below for comparison with Table 1.

Table 3. Summary of risks within registers as reported in March 2008

| Directorate | No of risks within register | No. of risks with 'HIGH' residual rating |
|--------------------------------|------------------------------------|-------------------------------------------------|
| Chief Executive's Dept | 9 | 0 |
| Children, Families & Education | 17 | 6 |
| Kent Adult Social Services | 9 | 3 |
| Environment & Regeneration | 29 | 1 |
| Communities | 17 | 1 |
| Total | 81 | 11 |

14 Eight of the 'HIGH' risks are still shown at this level in the attached 2009 registers. The remaining three, which all related to CFE risks, are still shown within their register but the level of risk has been reduced to MEDIUM.

RECOMMENDATION

15 Members are asked to NOTE the revised directorate risk registers.

Darryl Mattingly
Corporate Risk & Insurance Manager
 ☎ 01622 694632

CHIEF EXECUTIVE'S DEPARTMENT RISK REGISTER

DATE: Final November 2008

This register summarises the notable risks within the Chief Executive's Department. Risks are recorded as HIGH, MEDIUM or LOW. The matrix used to assess the level of likelihood and impact is provided for information.

This register has been compiled from the registers prepared by individual Business Units.

| Summary of risks | Inherent | Residual |
|------------------|----------|-----------|
| | 15 High | 7 High |
| | 4 Medium | 12 Medium |
| | 0 Low | 0 Low |

Risk Ranking Matrix

| Likelihood | Impact | | | | |
|--------------------|----------|--------------|--------------|------------|------------|
| | 5 Low | 10 Medium | 15 Medium | 20 High | 25 High |
| Very likely | 5 | 10 | 15 | 20 | 25 |
| Likely | 4 | 8 | 12 | 16 | 20 |
| Possible | 3 | 6 | 9 | 12 | 15 |
| Unlikely | 2 | 4 | 6 | 8 | 10 |
| Very Unlikely | 1 | 2 | 3 | 4 | 5 |
| | Minor | Moderate | Significant | Serious | Major |
| RISK RATING MATRIX | | | | | |

| Ref Page | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|----------|--------------|--------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------|--------------------------------------------|
| CE051 | Professional | Event funding from KCC/partners is substantially reduced leading to down sizing of capacity | Manage | Head of Partnerships | <input type="checkbox"/> Improvement programmes for KCC involvement in District LSPs and partner development of CDRPs <input type="checkbox"/> Dedicated lead roles e.g. Nlhd projects which support corporate working | <input type="checkbox"/> SSCG/CDRP focus in planning partnership approach for 2009 - 2010 | Ongoing | I = 5 L = 4 R = 20 HIGH | I = 5 L = 3 R = 15 MED |
| CE02 | Professional | KCC receives negative Audit criticism of its data collection procedures leading to greater scrutiny and inspection | Manage | Head of Corporate Performance | <input type="checkbox"/> Standardised collection process for BVPIs. <input type="checkbox"/> Guidance for accountable managers <input type="checkbox"/> Reporting to COG/Cabinet <input type="checkbox"/> Rigorous procedures for Towards 2010 reporting <input type="checkbox"/> Directorate data quality champions <input type="checkbox"/> Data quality (DQ) policy adopted from March 2008 | <input type="checkbox"/> Engage national debate, influence Audit Commission expectations - risk based approach <input type="checkbox"/> Adopt ONS procedures <input type="checkbox"/> Directorates to deliver own DQ strategies <input type="checkbox"/> Accountabilities for new NIS | Ongoing | I = 4 L = 4 R = 16 HIGH | I = 4 L = 3 R = 12 MED |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|-------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------------------------------------------|--------------------------------------------------------------|
| 3 (a) | KCC has a statutory responsibility to maintain the health & safety of employees, service users and contractors | Failure to prevent and avert major accidents / breaches of legislation may result in an inability to deliver services and trade. Severe breaches would result in legal action against KCC | <input type="checkbox"/> Assess likelihood & manage <input type="checkbox"/> Compliance with legislation <input type="checkbox"/> Effective H&S practice and a managed safe working environment | Director of Personnel & Development for Corporate Policy / strategy & statutory obligation Director of Property for property / assets | <input type="checkbox"/> Corporate Policy <input type="checkbox"/> Corporate H&S action plan <input type="checkbox"/> Monitoring <input type="checkbox"/> Training & Development <input type="checkbox"/> Corporate H&S Board + KCC Jt H&S Committees <input type="checkbox"/> Dedicated H&S staff corporately + within directorates <input type="checkbox"/> Directorate H&S groups <input type="checkbox"/> Risk Assessments <input type="checkbox"/> Public notices <input type="checkbox"/> Construction Design & Management Regulations <input type="checkbox"/> Asbestos policy | <input type="checkbox"/> Legionella policy under review <input type="checkbox"/> Legionella register to be fully populated <input type="checkbox"/> Asbestos central register to be developed | Ongoing | I = 5 L = 3 R = 15 MED | I = 3 L = 3 R = 9 MED |
| 4 | As above People Reputation | As above | As above | Commercial Services Director | <input type="checkbox"/> Local H&S risk assessments <input type="checkbox"/> Use of lost time/ accident KPI at SMT | <input type="checkbox"/> Continued focus supported by SMT leadership and improved CSD wide communications and briefings | Ongoing | I = 4 L = 4 R = 16 HIGH | I = 4 L = 4 R = 16 HIGH |
| 4 | Service delivery is dependant on a healthy workforce and maximization of attendance People | Higher levels of sickness than tolerable could impact on the organization and effectiveness of service delivery | Manage | Director of Personnel & Development | <input type="checkbox"/> Attendance Management policy, procedures and training <input type="checkbox"/> Review and revise corporate sick pay policy <input type="checkbox"/> Staff care package <input type="checkbox"/> Absence recording <input type="checkbox"/> Return to work interviews <input type="checkbox"/> 3 year health check programme for non-schools based staff | <input type="checkbox"/> Positive Attendance Guidance <input type="checkbox"/> New programme of health promotion and wellbeing activity <input type="checkbox"/> Working group developing new attendance strategies including absence information for managers at service unit and directorate level on HR Business Intelligence data | Ongoing | I = 4 L = 5 R = 20 HIGH | I = 5 L = 3 R = 15 MED |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------|----------------------------------------|
| CED 5 | The accurate payment and maintenance of information of KCC staff is reliant on the IT systems, namely Oracle HR Payroll. Expenses and associated systems to ensure requirements are met People / systems | Loss of systems or data would result in lack of ability to meet organizations and business statutory responsibilities relating to the employment and remuneration of staff | Manage | Director of Personnel & Development | <input type="checkbox"/> Disaster, recovery and contingency plans for Oracle <input type="checkbox"/> Regular local & offsite backups <input type="checkbox"/> Skilled internal IT resource pool <input type="checkbox"/> Use of contracting staff where required <input type="checkbox"/> Flexible/night/weekend working where required <input type="checkbox"/> Sharing information and development with other local authorities <input type="checkbox"/> Critical users and emergency data centres identified <input type="checkbox"/> Regular updating of systems based on latest release of software <input type="checkbox"/> Detailed training and guidance for staff <input type="checkbox"/> Extensive exception reporting and monitoring <input type="checkbox"/> Fully documented systems and processes <input type="checkbox"/> Detailed development plan based on prioritization of requirements <input type="checkbox"/> Robust project control of new developments <input type="checkbox"/> Robust technical and user testing for new developments, patches and enhancements <input type="checkbox"/> Structured project management and documented change procedure controls | <input type="checkbox"/> Update existing disaster recovery plans <input type="checkbox"/> Production and monitoring of HR system development plan <input type="checkbox"/> Review of systems in the light of emerging internal and external requirements (including new statutory reporting) | Ongoing | I = 5 L = 4 R = 20 HIGH | I = 4 L = 3 R = 12 MED |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------|-----------------------------------------|
| 6(a) | KCC service delivery is dependant on workforce and succession planning People | Loss of key skills and knowledge would have an impact on remaining staff and their ability to deliver services. Failure to recruit and retain high calibre staff would lead to a negative impact on service delivery | <input type="checkbox"/> Manage Clear Succession Planning <input type="checkbox"/> Improved management and organizational resilience | Director of Personnel & Development | <input type="checkbox"/> Mgt Development Progs <input type="checkbox"/> Contract with external recruitment agency <input type="checkbox"/> Recruitment practices/policies <input type="checkbox"/> Induction pack and training <input type="checkbox"/> Workforce Development plan <input type="checkbox"/> Talent management Prog. <input type="checkbox"/> Benefits package <input type="checkbox"/> Total Contribution Pay <input type="checkbox"/> Strategy for Staff <input type="checkbox"/> Reward Strategy <input type="checkbox"/> Links with best practice organizations <input type="checkbox"/> Work & Wellbeing Prog. <input type="checkbox"/> Recruitment/Selection tr'ing <input type="checkbox"/> 2 nd phase - Equal Pay Audit <input type="checkbox"/> Appraisal <input type="checkbox"/> Staff care package <input type="checkbox"/> Link with interim mgt. agencies (Kent Success) <input type="checkbox"/> Ready for Practice Scheme <input type="checkbox"/> Teacher Recruitment team <input type="checkbox"/> Exit interview records <input type="checkbox"/> Range of staff groups (UNITE, Stonewall etc) <input type="checkbox"/> Extended new Kent Graduate Programme <input type="checkbox"/> Management team awareness and minor organisational changes | <input type="checkbox"/> Recruitment hotspots identified & strategies developed to address <input type="checkbox"/> Strategy for staff development <input type="checkbox"/> Reward strategy <input type="checkbox"/> Development recruitment management system & strategy <input type="checkbox"/> Strategic workforce plan <input type="checkbox"/> Exit interviews analysis and action | Ongoing | I = 4 L = 4 R = 16 HIGH | I = 4 L = 3 R = 12 MED |
| 6(b) | As above | Over reliance on limited group of officers Gaps in capability | | Commercial Services Director | | <input type="checkbox"/> Further organisational development with a robust forward plan <input type="checkbox"/> Much greater emphasis of succession planning <input type="checkbox"/> Improved and consistent use of TCP and Peer review forums to link into development planning activities | | I = 4 L = 4 R = 16 HIGH | I = 4 L = 4 R = 16 HIGH |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|-----------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------|-----------------------------------------|
| CED 7 | Financial | Non delivery of planned capital receipts (property unsold or does not reach estimated value) Lack of clarity around alignment of revenue/capital budgets | <input type="checkbox"/> Manage <input type="checkbox"/> Increased awareness around issues <input type="checkbox"/> Clarity and consistency regarding capital -v- revenue | Director of Finance Director of Property (with directorate Resource Managers) | <input type="checkbox"/> PEF2 Fund created to allow properties to be held short term (5 years) to allow market to improve <input type="checkbox"/> Prudential Equilisation Reserve <input type="checkbox"/> Regular review meetings with Cabinet Member <input type="checkbox"/> Regular meetings with Finance <input type="checkbox"/> Policies developed and communicated <input type="checkbox"/> Continual management review of processes and performance | <input type="checkbox"/> Set up PEF2 management committee <input type="checkbox"/> Regular Section 106 reports to FSB <input type="checkbox"/> Reports to Cabinet & Property Board monitoring property market | Ongoing | I = 4 L = 5 R = 20 HIGH | I = 3 L = 3 R = 9 MED |
| CED 8 109 | Spending review 09 – constraints on government funding due to significantly deteriorating public finances Financial | Government Grant fails to increase in line with inflation, demographic, legislative changes etc Risk of funding shortfall cost shunted to local government Major funding shortfall risks on function transfers – e.g. Learning Disability from NHS, concessionary fares from districts | Manage | Director of Finance | <input type="checkbox"/> Lobbying of Central Government <input type="checkbox"/> Working with LGA, SCT, CCN etc. | <input type="checkbox"/> Continued lobbying of Central Government <input type="checkbox"/> In depth financial scrutiny of negotiations over LD transfer | Ongoing | I = 4 L = 5 R = 20 HIGH | I = 4 L = 5 R = 20 HIGH |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------|-----------------------------------------|
| CED 9 | Financial and economic deterioration of UK wide economy (probably into recession) spills over into wider fabric of society with consequential pressure across all KCC services Financial | Increased unemployment Increased homelessness Increased crime Increased fraud Higher inflation Reduced income generation "Wealth depleters" depleting wealth more rapidly etc. adding substantial demand pressures onto KCC services at a time of high price inflation and limited ability to raise KCC income to offset price rises Reduction in Council Tax collection | Manage | Director of Finance (permeates across the council so CX, all of COG too) | <input type="checkbox"/> Lobbying of Central Government for additional resource <input type="checkbox"/> Robust MTP <input type="checkbox"/> Peer review of pressures and savings <input type="checkbox"/> Economic development and regeneration activity | <input type="checkbox"/> Continued lobbying of Central Government <input type="checkbox"/> Policy led budgeting approach <input type="checkbox"/> Refocusing of priorities to target action to address financial, health wider socio-economic impacts of major recession | Ongoing | I = 4 L = 5 R = 20 HIGH | I = 4 L = 5 R = 20 HIGH |
| CED 10 | Treasury Management Financial | Potential loss of principal sum | Manage | Director of Finance | <input type="checkbox"/> Treasury strategy <input type="checkbox"/> Treasury Management practices <input type="checkbox"/> Governance arrangements | <input type="checkbox"/> Full review of all elements | February 2009 | I = 4 L = 5 R = 20 HIGH | I = 4 L = 5 R = 20 HIGH |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------------------|-------------------------------------|
| CEC 13 | Technological & Social | Increased reliance and demand on technology in the delivery of direct service not matched by increased investment in capacity and resilience of ICT infrastructure | Manage | Heads of ICT Commissioning and Operations | <input type="checkbox"/> Medium term plan for technology agreed by COG and Cabinet. <input type="checkbox"/> Contingency planning – in consultation with the business. <input type="checkbox"/> Disaster Recovery considered on a system by system basis. <input type="checkbox"/> Regular interface/liaison with resource directors. <input type="checkbox"/> Change management process includes risk assessment and handover requirements. <input type="checkbox"/> Provision of professional advice to facilitate the assessment of risk. | <input type="checkbox"/> Monitor implementation of agreed medium term plan for technology. <input type="checkbox"/> Maintain key business needs as identified by all business units. <input type="checkbox"/> Regular reassessment of business risk as a consequence of systems failure. <input type="checkbox"/> Review options for sourcing of DR provision. | Ongoing | I= 4 L= 5 R= 20 HIGH | I= 3 L= 4 R= 12 MED |
| CEC 14 CP 113 | Professional | Service development compromised through implementing disparate and incompatible ICT solutions | Manage | Heads of ICT Commissioning and Operations | <input type="checkbox"/> Corporate asset maintenance, <input type="checkbox"/> Enterprise Architecture methodology, strong governance through ICT (Strategy) Board. <input type="checkbox"/> ICT Operations Board | <input type="checkbox"/> Review and revise Enterprise Architecture to reflect changes to corporate and business targets. <input type="checkbox"/> Develop roadmap to identify how to build on existing investment to deliver new targets. <input type="checkbox"/> Monitor consistency of IT platform across organization | Ongoing | I= 4 L= 4 R= 16 HIGH | I= 3 L= 3 R= 9 MED |
| CEC 15 | Technological | Attack on ICT infrastructure, or inappropriate action by a user, leading to a loss of data. | Manage | Heads of ICT Commissioning and Operations | Dedicated security officer to identify and remedy potential security risks. Provision of professional advice to facilitate the assessment of risk and development of appropriate policies (see IT Policies on KINet). | <input type="checkbox"/> Assess all new activity and change from a security perspective. | Ongoing | I= 5 L= 3 R= 15 MED | I= 5 L= 2 R= 10 MED |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|----------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------------------------|------------------------------------|
| CE 16 | Systems | Major system failures e.g.: CRM, EBS, Galaxy etc Major telephone system failure where no customer can contact KCC Contact Centre Shortage of staff to manage call volume (due to normal business or major incident) Total loss of building for CC Lack of budget to provide level of service expected Unable to provide high risk/profile services | Manage | Director Of Strategic Development And Public Access | <input type="checkbox"/> Plan documented in CC Business Continuity Plan, timescales for system recovery arranged by ISG or Business unit. <input type="checkbox"/> Risks managed through CC Business Continuity Plan, Triangulation of lines arranged to reduce single point of failure at exchange level <input type="checkbox"/> Close links with staffing agencies to obtain staff at short notice. Existing staff offered overtime if budget allows <input type="checkbox"/> Short term loss can be managed in Cantium House, Maidstone assuming building in close proximity is unaffected. No other contingency site identified. <input type="checkbox"/> Budget and service levels closely monitored <input type="checkbox"/> All contact centre services graded so high risk services prioritised in any risk situation. | <input type="checkbox"/> The Access Kent project will ensure increased resilience as we work more closely with other public sector contract centres. <input type="checkbox"/> New systems for phone and CRM are currently being organized and implemented <input type="checkbox"/> Increasing joint working between the KCC website and Gateways will ensure other channels of access are available and expertise shared | Ongoing | I= 4 L= 3 R= 12 MED | I= 3 L= 3 R= 9 MED |

| Ref | Source | Event | Planned Outcome | Acc'table manager | Existing controls | New tasks / action plans | Date | Inherent rating | Residual rating |
|------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------|----------------------------------------|----------------------------------------|
| CE17 | Reliance is placed upon good quality and timely information to inform direction and decisions | Economic downturn and credit crunch could create previously unknown or unexpected risks. Inspections may provide false assurances or fail to highlight potential weaknesses | Manage | CEDMT | <input type="checkbox"/> Inspections and Audits <input type="checkbox"/> Links with external advisors, peer and national groups | <input type="checkbox"/> Sense check of services | Ongoing | I = 4 L = 3 R = 12 MED | I = 4 L = 3 R = 12 MED |

Note: Risks considered to be commercially sensitive have been omitted

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**Children, Families and Education Directorate
RISK REGISTER 2008-10
DATE: December 2008**

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------|-------------------------------------------------------|
| 1 Social / Financial Financial risks: Current national economic conditions including rising costs of services, impacts on affordable activity | <ul style="list-style-type: none"> • Delivery of MTP due to inability to secure capital receipts • Demand outstripping available resources • Demand- led budgets overspend resulting in inappropriate short term action to offset overspends • Schools funding settlement is tighter leading to risk of more schools in deficit • Reduced demand from schools to purchase services from KCC • Position made more difficult as less flexibility under new national funding arrangements • Impact of medium term planning savings on the application of CP thresholds – risk in lowering thresholds in terms of resourcing need. • Impact on vulnerable children unable to access services. • Delivery of Medium Term Plan and particularly staff savings in the context of end of short term grants • Impact on partnership working | <p>Financial control and children in need receive appropriate, cost effective services</p> <p>Effective early intervention for vulnerable children and young people through implementation of integrated processes</p> | <p>SMT Keith Abbott Bill Anderson Joanna Wainwright</p> | <ul style="list-style-type: none"> • 3 year forecast planning • Increased training for school staff and Governors • Negotiation with Schools Forum provided extra funding • Increased user involvement. • Demographic planning • Joint planning • Focus on prevention • Business Planning • Finance and Activity Monitoring • Contracting and Procurement Controls • Eligibility criteria • Increase core assessments • Kent safeguarding Board • CAF/Lead Professional • Implementation plan and Project Board • Complaints monitoring • Management and decision making allocation of all CP to a Social Worker | <ul style="list-style-type: none"> • Robust financial and resource management • Management Action • Monitoring and regular SMT reporting • Practice based commissioning CYPP – identifies key priorities • Local co-ordination of integrated processes • Integrated processes subject to greater scrutiny under CAA • inspection arrangements i.e. sampling of CAF assessments during annual safeguarding inspection visits | Ongoing | <p>I = 5 L = 5 R = 25</p> | <p>I = 4 L = 5 Score = 20 HIGH</p> |

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------|---------------------------------------------|
| 2 Political / Citizen Early Years Standards: local and national targets | Proposed strategies do not result in raising standards in Early Years and also leads to failure to achieve local and national targets | Ensure resources are focussed on raising attainment and proposed strategies are in place | Peggy Harris Joanna Wainwright | <ul style="list-style-type: none"> Developing approach to assess quality of Early Years provision and providing support to improve quality PSA2 Target and action plan with working group Regular Monitoring | <ul style="list-style-type: none"> DCSF Statutory National Indicator Set Refresh PSA2 action plans: Focus on Early Years and attendance Substantially re-focusing the work of the EY team to support and challenge in vulnerable settings, through mentoring and coaching, working more closely with LCSP colleagues, EYATs, EY SENCOS. Developing a Setting Improvement Partner programme Improving networking between schools and promoting the use of the Kent record of transfer. Increasing the reliability of FSP moderation by developing additional local moderation arrangements in LCSPs - developing criterion referenced materials to support practitioners. Use the information from the ECERS audit to support setting self-evaluation and action planning. Increase and recruit an additional 52 (making 75 in total) Leading Early Years Teachers (LEYTs) | Ongoing | I = 5 L = 5 R = 25 | I = 4 L = 4 Score = 16 HIGH |

| | Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------|-----------------------------------------------|
| 3 | Social / Financial SEN transport: Implementation of new transport policy and arrangements to respond to changes included in the Education & Inspections Act 2006 | Potential implications for pressure on budget of implementation of policy for new "eligible" groups of children and in relation to extended schools agenda and Aiming High Short Breaks Programme. Challenge in the High Court by parents and legal direction currently being sought nationally that is outside of KCC's control and which could lead to change in policy in Kent | More choice, improved service and independence for children with SEN and Disabilities and those from low income families | Joanna Wainwright Colin Feltham | <ul style="list-style-type: none"> Current policy contains clarity about entitlement (but does not reflect changing law and policy). Regular monitoring of spending and problems with contracts. | <ul style="list-style-type: none"> Review of Transport Policy and integration of SEN and Disability with mainstream policy and arrangements Provide more creative solutions for SEN and Disability transport Raise awareness among schools of policy and budget implications of transport arrangements | Ongoing | I = 5 L = 4 R = 20 | I = 4 L = 4 Score = 16 HIGH |
| 4 | Political Development of Children's Trust arrangements | Kent Children's Trust Board : <ul style="list-style-type: none"> KCTB not meeting statutory requirements of Children's Act 2004 and Children's Plan (2006) Failure to deliver priorities as contained within Kent CYPP Lack of clear accountability across partners Impact on Kent's ability to improve on national targets as set in the National Indicator Set Resources not identified or made available | Delivery of the Children Young People's Plan priorities through the Trust and LCSPs Virtual Commissioning Team | SMT Sally Morris Joy Ackroyd | <ul style="list-style-type: none"> County Children's Trust (KCTB) governance framework Statutory guidance on role of Director of Children's service and lead member KCTB Change Management Programme Appointment of LCSP Managers Re-structure of Local Children's Trust Arrangements to form 23 LCSPs Formal adoption by statutory partners of partnership agreement Risk Assessment of Children's Trust Full Partnership Creation of KCTB executive group Links into LAA2 Development | <ul style="list-style-type: none"> Review lead roles and responsibilities to ensure structure is fit for purpose Development of sub structure to support delivery of KCT priorities, including performance management group Development of common data set at County and Local levels to inform planning Development of commissioning framework and local delivery plans (LCYPPs) Development of outcomes measures and performance management The introduction of the 198 National Indicator Set | Ongoing | I = 5 L = 5 R = 25 | I = 5 L = 3 Score = 15 MEDIUM |

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|-----------------------------------------------|
| 5 Political External Inspections: APA and introduction of new inspection regime: CAA | CFE does not achieve a favourable outcome | Favourable outcome: good or better | Senior Management Team Sally Morris | <ul style="list-style-type: none"> Existing internal performance management processes/controls to monitor progress against national performance Links into CYPP update Completed Self-Assessment for the previous APA and JAR Other positive internal inspection reports | <ul style="list-style-type: none"> Implementation of Improvement Action Plan following JAR feedback Corporate Performance Management Group linking with new Audit Commission relationship manager for CAA Joint Strategic Needs Assessment | Ongoing | I = 5 L = 4 R = 20 | I = 5 L = 3 Score = 15 MEDIUM |
| 6 Professional/ Technological / Financial/ Social / Citizen Information sharing : national requirement for agencies to share information to help prevent a child slipping through the net | <ul style="list-style-type: none"> Failure to share information or lack of timely interventions between agencies results in death or abuse of a child Shortfall in funding available for local co-ordination delays implementation of Lead Professional Function and Common Assessment Framework (CAF) Delay of implementation of ContactPoint, lead professional function and CAF The right staff in health unable to access compatible IT equipment. Issues regarding GP Inputs – system incompatibility and possible GP unwillingness to share patient information | Agreed Integrated Information sharing protocols and Processes in place. Frontline staff and managers are aware of, understand and operate in accordance. | SMT Bill Anderson Joanna Wainwright Richard Murrells Virtual Commissioning Team | <ul style="list-style-type: none"> Kent Safeguarding Board Multi-agency working through Local Children's Services Partnership Well trained, high calibre staff with clearly defined reporting structure. CAF and lead professional guidance in place Multi agency child protection policies in place Multi-agency Project Board for ContactPoint, and CAF in place Multi-agency Information for Children and Young People agreed by Kent Children's Trust Board. Information Sharing guidance forms part of the two-day training course for practitioners on CAF and lead professional Integrated Children's System KCTB Change Management Programme | <ul style="list-style-type: none"> Local co-ordination to ensure implementation of CAF and lead professional functions. CAF subject to greater scrutiny under CAA inspection arrangements i.e. sample of CAF assessments part of annual safeguarding visit. Trialling and implementation of eCAF interim solution Deployment of ContactPoint and training for users in autumn 2008 Build Health actions into CYP Health Commissioning Plan that will be agreed by PCTs and KCC. Needs to include guidance for local commissioners on local brokering where necessary. | Ongoing until 2009 | I = 5 L = 4 R = 20 | I = 5 L = 3 Score 15 MEDIUM |

| | Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|---|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------|--------------------------------------------------------------|
| 7 | Professional/ Legal Safe Recruitment and CRB Disclosures | <ul style="list-style-type: none"> Failure of a school to obtain necessary Employment Checks leading to appointment of inappropriate staff. Potential for children to be unsafe and possible litigation Roll out of Safe Recruitment training for schools and LA managers in line with DCSF model | <p>Keeping Children Safe (ECM)</p> <p>Early effective detection and sharing of information between employers and others in contact with school staff who behave inappropriately.</p> <p>Preventing those who are unsuitable being appointed to posts working with children</p> | <p>Keith Abbott Rob Semens</p> <p>Kel Arthur</p> <p>Headteachers and Governing Bodies</p> | <ul style="list-style-type: none"> Guidance on CRB procedures issued to all schools LEA carries out CRB checks for all maintained schools. Roll out of retrospective CRB checks of staff appointed prior to 1991 Respond to review of new vetting and barring arrangements as outlined in safeguarding Vulnerable Groups Bill. Updated child protection procedures for managing allegations against staff in response to new DFES guidance and collate data on allegations management as required by LADO Role. Training for Headteachers and selected Governors CSS advice on threshold for referral to SS re: Section 47 investigations. | <ul style="list-style-type: none"> Continue to monitor CRB checks carried out for all maintained schools and intervene where there are concerns. Increase number of schools completing NCSL On-line training re safe recruitment and/or attending NCSL safer recruitment training Undertake retrospective CRB checks in line with ACPG approval Follow up NCSL training to ensure CP input at interviews in response to Birchard recommendation Enhanced monitoring via Self-Review Tool. Produce KSCB minimum standards on safe recruitment and allegations management Partnership risk register in place for Safeguarding Board | Ongoing | <p>I = 5 L = 4 R = 20</p> | <p>I = 5 L = 3 Score = 15 MEDIUM</p> |
| 8 | Social / Financial/political Vacancies in senior strategic management structure | <ul style="list-style-type: none"> Loss of financial control Poor performance leading to criticism from external inspectorate Staff morale affected Drop in quality of services | <p>High quality strategic management in place with uninterrupted delivery of high quality services</p> | <p>Ian Craig, Keith Abbott SMT</p> | <ul style="list-style-type: none"> New risk as senior managers retiring between now and Spring 2009 | <ul style="list-style-type: none"> Succession planning in place to ensure smooth handover and strong leadership | <p>November 2008 onwards</p> | <p>I=5 L=5 R =25</p> | <p>I=5 L=3 Score =15 MEDIUM</p> |
| 9 | Physical / Legal Health & safety | <ul style="list-style-type: none"> Accident or incident to pupil, member of staff or customer could bring legal action for damages and potential prosecution. Ill-health to member of staff from work: leading to absence, and | <p>Reduce possibility of accident; deal appropriately when they occur</p> <p>Managers to put controls in place to reduce risk of</p> | <p>Sally-Anne Clark Headteachers and Governing Bodies All Managers SMT</p> | <ul style="list-style-type: none"> Robust policies, procedures and guidelines Induction training for headteachers Regular health and safety training courses provided for staff Management of | <ul style="list-style-type: none"> Train batches of school staff in accident procedures Bursar training started Dec 06 and demand is increasing New governor training course to highlight insurance and litigation | <p>Ongoing</p> <p>Ongoing</p> | <p>I = 5 L = 4 R = 20</p> | <p>I = 5 L = 2/ 3 Score =10/15 MEDIUM</p> |

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------|---------------------------------------------------------|
| | <p>costs of replacement staff. May lead to loss of specialist expertise.</p> <ul style="list-style-type: none"> New risk of prosecution under Corporate Manslaughter Act, implemented 6.4.08 | ill-health from work | | <ul style="list-style-type: none"> contractors policy and training in place Management system for asbestos in all premises Regular Governor training Health and safety team in place to deal with issues and provide advice Corporate Audit programme in place Annual Monitoring Returns required from schools to monitor compliance with H&S Finance team assist in monitoring compliance Occupational Health policies, advice and assessments Training available for carrying out DSE assessments Moving and Handling policy, assessments and training Corporate stress policy and risk assessment Corporate work and well-being initiatives | <ul style="list-style-type: none"> issues in relation to injuries Management of contractors training being updated to take account of new client responsibilities Management groups briefed on risk implications of new Corporate Manslaughter legislation New swimming policy devised with associated training and audits Management training for Heads and LA managers still outstanding New LCSPM's have a role to ensure health and safety in schools | | | |
| 10 | <p>Political / Citizen</p> <p>Primary Attainment: Local and national targets</p> | Proposed strategies do not result in raising primary attainment | Peggy Harris | <ul style="list-style-type: none"> Six weekly impact reports provided by Principal Advisers to the Director, Standards & Achievement Primary strategy programmes fully employed and monitored LCSP engagement in school improvement School Improvement Strategy revised and implemented School improvement partners in place for all school Primary Challenge Board working with Area Education Officers on a | <ul style="list-style-type: none"> Towards 2010 Action Plan Implementation of a primary strategic plan Bi termly tracking of progress of intensive support schools against targets set. Programme of Principal Adviser challenge visits to targeted schools causing concern and enhanced monitoring schedule Monthly review of targeted support by teams to evaluate impact in schools – and redeployment of resources where necessary | 2010 Ongoing Ongoing Ongoing Ongoing | <p>I = 5 L = 5 R = 25</p> | <p>I = 4 L = 3 Score = 12 MEDIUM</p> |

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------|---------------------------------------------------------|
| 11 | <p>Political/citizen</p> <p>National Challenge. A new floor target for secondary schools. By 2011 every school must achieve at least 30% 5+A*-C at GCSE to include English and mathematics</p> | <p>All schools achieve this threshold</p> | Pippa Doran | <ul style="list-style-type: none"> regional basis to challenge under performance Analysis of data including CVA to inform deployment of resources Information on school progress towards targets gathered three times per year by school improvement partners Six weekly impact reports provided by Principal Advisers to the Director, Standards & Achievement Secondary Risk register National Strategy consultants monitoring progress of individual plans Senior secondary advisers maintaining oversight and reporting to DCSF | <ul style="list-style-type: none"> Enhanced programme for schools in need of Intensive Support – RAYS; ISP; Ensuring Success Greater use of LA powers of Intervention | <p>Ongoing</p> <p>Ongoing</p> | <p>I=5 L=4 R=20</p> | <p>I = 4 L = 3 Score = 12 MEDIUM</p> |
| 12 | <p>Technological / Political / Citizen</p> <p>Systems renewal</p> | <p>Smooth transition and systems in place</p> <p>Cleansing of data on SWIFT</p> <p>Robust Systems in Place</p> | <p>Bill Anderson</p> <p>Marilyn Hodges</p> <p>Donna Shkalla</p> | <ul style="list-style-type: none"> Major implementation programme involving front line staff / managers etc. Data Quality and data cleansing exercise involving frontline staff/managers and administration staff KCTB change Management Programme | <ul style="list-style-type: none"> User acceptance test of new ICS system to be signed off. Data quality and data cleansing plan to be prioritised and enacted Steady state sign off to occur | <p>Ongoing throughout 2009</p> | <p>I = 4 L = 4 R = 16</p> | <p>I = 3 L = 4 Score = 12 MEDIUM</p> |

| | Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|----|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------|-----------------------------------------------|
| 13 | Citizen / Financial / Political Changing Pupil Demographic The affect of adjusting to changes in pupil demographics | Risk that provision does not match the level of pupil need, which could affect school budgets and may lead to bad public and media relations. | Ensuring that provision exists in the right places. Manage school closures. No schools in deficit | Ian Craig Keith Abbott | <ul style="list-style-type: none"> Kent Primary Strategy Group Budget monitoring of schools Member led School Organisation Advisory Board – advisory to the Cabinet Member for Operations, Resources and Skills, CFE. Kent primary Strategy 2006 recommendations | <ul style="list-style-type: none"> Continue briefings and media representation Continue full public consultations Members briefing and media representation | Ongoing | I = 4 L = 4 R = 16 | I = 4 L = 3 Score = 12 MEDIUM |
| 14 | Social / Financial Services for unaccompanied asylum seeking children | Difficulties in planning for asylum seeking services: <ul style="list-style-type: none"> Government funding for this Service is inadequate and uncertain. Demand is unpredictable, resulting from external factors outside KCC control. May not be able to provide adequate services to LAC UASC. LAC UASC have inadequate access to dental and medical treatment, including mental well being. Inadequate provision for over 16s. | Management of resources Young asylum seekers are safe and protected from harm. Service planning in the context of Government under funding | Bill Anderson Karen Goodman | <ul style="list-style-type: none"> Members agreed to move to full staffing structure Business plan Multi-agency discussions re health and education Strategic Review Maximise resources available Negotiating directly with Govt. Legal action Developing intake model | <ul style="list-style-type: none"> Review Tendering for accommodation Consider realignment of staff to deliver more effective services. Working with the Home Office/DCSF to develop an asylum funding model which is less subject to unpredictability. Legal action. SMT and Cabinet members to reach consensus on status of unaccompanied asylum seeking children in relation to the White Paper. | Ongoing | I = 4 L = 4 R = 16 | I = 3 L = 4 Score = 12 MEDIUM |
| 15 | Human Resources Staffing: Failure to recruit, retain and develop the children's workforce necessary to deliver ECM | <ul style="list-style-type: none"> Could lead to unallocated cases Breakdown of placements Breakdown of stable and effective staffing across schools which could lead to/include a breakdown in leadership. An ageing workforce could also prove problematic. | Stable and effective staffing establishment | Rob Semens Bill Anderson | <ul style="list-style-type: none"> Children and Young People's Workforce Strategy Group Workforce development plans will be linked to relevant developments and actions in the District and Unit Business Plans Develop and implement training evaluation strategy which will lead to a more effective and efficient workforce | <ul style="list-style-type: none"> Continue to develop the Children's Workforce Strategy Disseminate the Strategy across all agencies Better use of flexibility in employment contracts to move experienced staff to recruitment "Hot Spots" on secondment or permanent basis Use of market premium | Ongoing througho ut 2008 Ongoing | I = 5 L = 3 R = 15 | I = 4 L = 3 Score = 12 MEDIUM |

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------|----------------------------------------------|
| | <ul style="list-style-type: none"> Travel costs for staff, particularly peripatetic staff makes KCC less attractive employer | | | <ul style="list-style-type: none"> development programme CSS Recruitment Group monitors SW vacancies and agrees strategies for urgent situations. Recruitment calendar ensures we recruit NQSW's annually. Ready for Practice scheme targeted at MA social work students. Workforce planning and succession planning in place to address age profile. KCTB Change Management Programme. Teacher recruitment initiatives in Northern Ireland. NQT recruitment focussed on colleges who support maths and science. Exit interview programme to help retention of teachers. | <ul style="list-style-type: none"> in a targeted way to recruit to "Hot Spots" and introduce for a wider range of staff Disseminate best practice to secure stable SW staffing. CSS to consider Recruitment Coordinator role to ensure that all SW applications receive attention. CSS Realignment to review pay grading for SW team leaders and also support for Step into Management programme. Wellness programme for schools being piloted to support retention of teachers. MA professional development for teachers to be promoted for retention. Kent teacher recruitment website to be used across the country to promote teaching in Kent. | | | |
| 16 | <p>Political / Citizen</p> <p>Looked after Children: Local authority has statutory duties toward LAC to ensure they have the best possible chance in life</p> | Improvement in attendance and achievement | Marilyn Hodges Bill Anderson Joanna Wainwright | <ul style="list-style-type: none"> Protocols for LAC reviews, stability of placements contacts with SW LAC education advisors PEP audit. Findings fed back to HOS with suggested improvement measures Alerts for foster carers IRO officers (IROs) in monitoring and PEPs and school attendance LCSP strategies implemented Additional tracking with foster carers | <ul style="list-style-type: none"> Data and Performance Monitoring Issues Group – multi agency group focusing on performance of targets that need to be improved Introduction of Personal Education Allowances (Care Matters) Implementation of Pledge commitments Strategies to prevent absence due to health assessments Development and implementation of | Ongoing | I = 4 L = 4 R = 16 | I = 3 L = 3 Score = 9 MEDIUM |

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|--------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------|----------------------------------------------|
| | | | | <ul style="list-style-type: none"> SW assistants introduced to focus on education/ literacy groups Additional training and new CPD framework to enhance role of foster carers Specialist fostering schemes for CYP with complex needs Financial incentive scheme for LAC in their exam year In year Fair Access Protocols in clusters Welfare Call attendance monitoring, improving early alerts, pilot of BtoB (electronic registration system), targeted EWO intervention, additional tracking with foster carers and new admissions arrangements to address absence and ensure LAC are able to access education in a timely manner The Integrated Looked after Support Service became operational in June 2008 and will support and develop initiatives across the 23 Local Children's Services Partnerships. Their work will contribute to improved attendance at school and improved health assessments | Fostering Commissioning Strategy | | | |
| 17 | Financial / Social Looked after children placed by other LAs: | Influence number of placements KCC has been successful in influencing govt agenda including legislative | Bill Anderson | <ul style="list-style-type: none"> Representation to Government Partnerships with other agencies etc In house service provision Developing better support | <ul style="list-style-type: none"> Management controls in place Too Far to Go: Project with Tizard Centre Multi -agency protocols regarding placement of children in Kent SS will start charging | ongoing | I = 4 L = 4 R = 16 | I = 3 L = 3 Score = 9 MEDIUM |

| Source | Event | Planned Outcome | Accountable manager | Existing controls & accountable officers | New tasks / action plans & accountable officers | Date | Inherent rating | Residual risk |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------|----------------------------------------------|
| 18 | Legal/Social / Financial / Citizen | changes in Children and Young Persons Bill. Key challenge will be ensuring all KCC LAC are placed close to their family homes. (pledge includes a commitment on this issue). | | <ul style="list-style-type: none"> systems for carers Preventative Services Business Plan, Fostering Action Thanet Report BPMU contracting section working with Policy Section to ensure that OLA placements are notified to KCC. | <ul style="list-style-type: none"> other LA for CP investigation Member support Until legislation is implemented KCC will continue to maintain its stance with other local authorities. | | | |
| | <ul style="list-style-type: none"> Legal cases for failure to educate. Improved identification of those not in education leads to demand on resources. Children not fulfilling their potential Lack of resources to provide education to pupils with medical needs that prevent access to mainstream education and those requiring tuition Permanently excluded and hard to place pupils not accessing education | All known children and young people in receipt of education | Joanna Wainwright Headteachers and Governing Bodies 14-19 strategic Forum | <ul style="list-style-type: none"> Referral process and systems to identify children not in school Wide range of alternative curriculum Pilot vocational community based placements In-year Fair Access protocol to ensure timely access to education for pupils permanently excluded from school, hard to place pupils and those identified as not having an education place PSA target to increase attendance Resources devolved to clusters to enable them to secure education including tuition for all pupils in the locality Medical PRUs Clawback of AWPJ for pupils accessing Health Needs Education Service | <ul style="list-style-type: none"> LAA2 – Targets relating to NEET 2010 targets developed and action plans implemented 14-19 Strategic Plan Children Missing Education Guidance In Year Fair Access Protocol Devolution of funding to clusters – planned September 2008 New 198 National Indicator data Set Partnership risk register in place for 14-19 Strategic forum | Ongoing | I = 5 L = 4 R = 20 | I = 3 L = 3 Score = 9 MEDIUM |

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Communities Directorate RISK REGISTER 2009/10

Directorate Risks are those that can be described as presenting a:

- Significant Directorate wide risk
- Significant risk specific to one Unit that could impact on the Directorate as a whole
- Significant risk to the Directorate and / or Council as part of working with external organisations or its role within the Community

Impact. 1 = minor 3= significant 5 = major. *Likelihood* 1 = very unlikely 3= possible 5 = very likely

| Risk No | Source | Event / Risk | Planned Outcome | A/C Manager | Existing controls | Residual Risk Ranking | New tasks / action plans | Date |
|---------|-------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|---------|
| 1.1 | <i>Financial</i> Reliance on external funding and grants | Reduction / cessation of external funding and grants | Manage / Control | SMT | Lobbying for continuation; plus exit strategies Register of sources of external funding and risk assessment & response as appropriate. | I = 4 L = 4 Score = 16 | --- | --- |
| 1.2 | <i>Financial</i> Reliance on Fee income | Fee income sources reduce e.g. as a result of economic downturn or increased competition | Manage / Control | SMT | Monitoring & controls on provision for fee returns. Marketing strategies and mechanisms in place for varying costs in response to variations in income | I = 4 L = 3 Score = 12 | Review safeguards and commercial risks | July 09 |

| Risk No | Source | Event / Risk | Planned Outcome | A/C Manager | Existing controls | Residual Risk Ranking | New Tasks / Actions | Date |
|---------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 1.3 | <i>Financial</i> Dependence on external service providers incl VCS | Supply side collapses and/or monopolies emerge. | Manage / Control | SMT | Service Managers knowledge of the market place. Risk assessment of dependencies underway | I = 3 L = 3 Score = 9 | Conclude risk assessment of dependencies and take action as appropriate | June 09 |
| 2.1 | <i>Reputation/financial</i> CMY manages a major project of strategic importance | Turner gallery build misses deadline. KCC objectives not fully inc. in Trust arrangements | Manage/ control | MD | Project management & monitoring processes. | I = 4 L = 2 Score = 8 | Complete the audit of arrangements for transfer to Trust | Quarters 1-2 |
| 2.2 | <i>Reputation/financial</i> CMY manages a number of other significant capital projects | Major projects may fail to get off the ground or keep on track. Assumptions regarding capital receipts affected by economic down turn | Manage / Control | SMT | Clarity of a/c and roles for each project as they develop. Close working with corporate finance and property teams. Reviews of phasing of projects. | I = 4 L = 2 Score = 8 I = tbc L = tbc | Review effectiveness of monitoring and reporting systems. Application to the Property Enterprise Fund if appropriate | Oct 09 |
| 3.1 | <i>Performance</i> Services work within a no. of national & local performance frameworks incl. 2010, LAA(2), APA, CAA, CYPP, IYSS | Failure to meet existing key performance targets or to anticipate new ones | Manage/ control | Lead officers | Quarterly monitoring at SMT using risk based approach. CMY involvement in cross-directorate groups | I = 4 L = 2 Score = 8 | | Quarterly reports or more frequently as required |

| Risk No | Source | Event / Risk | Planned Outcome | A/C Manager | Existing controls | Residual Risk Ranking | New Tasks / Actions | Date |
|---------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 3.2 | <i>Performance</i> Reliance on external accreditation | Govt withdraws accreditation e.g. Adult Ed, FE Service Delivery, Archives Mgmt | Successful inspection / approval | Director, CMY and Cultural Services | Quarterly assurance process | I = 3 L = 2 Score = 6 | N/A | Ongoing |
| 4.1 | <i>HR</i> Rapidly changing environment & budget constraints | Loss of staff or reduced morale affecting service. | Manage / Control | SMT | Implementation of workforce development & IIP improvement plans. | I = 4 L = 2 Score = 8 | Expand the scope of SMT monitoring. Implement action arising from the staff survey carried out in 2008 | Quarterly Starting Feb 08 and ongoing |
| 5.1 | <i>Performance/safety</i> Significant data flows are required to manage the business | Poor quality data could lead to ill-informed management decisions or risk to clients | Manage / Control | SMT | Risk-based Data Quality Reviews across the directorate Individual processes in place in units. | I = 3 L = 2 Score = 6 | N/A | |
| 6.1 | <i>Governance</i> In some services personal details of individual service users need to be held | Poor data security leads to personal information being lost / stolen | Manage / Control | SMT | Data Security information and advice promoted regularly. Nominated Caldecott guardian Programme of Information Audits | I = 2 L = 3 Score = 6 | Implement actions arising from information audits and work of the information security sub group of ICT Ops Board | March 09 |

| Risk No | Source | Event / Risk | Planned Outcome | A/C Manager | Existing controls | Residual Risk Ranking | New Tasks / Actions | Date |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 6.2 | Governance CMY hosts and manages some significant partnership agreements | Governance or other failure affecting service delivery. KCC finds itself liable. | Manage/ Control | Lead Director for each Partnership | Periodic Internal Audits | I = 3 L = 3 Score = 9 | Continue to review arrangements for significant partnerships. | Ongoing |
| 7.1 | Business Continuity Services rely on staff availability (both in-house and providers;) external supply chains; communication networks, utilities and other infrastructure | Service delivery affected by an unexpected disruption to some or all of these dependencies either as one-off events or as 'slow burn' worsening | Maintain critical front line services | Divisional Directors | Business Continuity (BC) plans in place in key services | I = 3 L = 3 Score = 9 | Fully test the BC plans for all key (0-7 days) services. Prepare to test BC plans for other services | By Sept. 09 |
| 8.1 | Safety Many CMY services have direct contact with children and young people | Children accessing our services may be at risk of harm | Zero Tolerance | Divisional Directors | CRB checks for staff and volunteers working with children and vulnerable adults Internet firewalls (e.g. in Libraries) Training and procedures | I = 5 L = 1 Score = 5 | Establish a mechanism to give early warning of any failure in control systems Monitor implementation of action arising from Audit of internet access controls | Quarter 1 Quarter 1 |

| Risk No | Source | Event / Risk | Planned Outcome | A/C Manager | Existing controls | Residual Risk Ranking | New Tasks / Actions | Date |
|---------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------|---------|
| 8.2 | Some services within the Directorate provide or commission services for, vulnerable children & adults | A vulnerable child or adult comes to harm as a result of failure to adhere to Safeguarding Procedures or share information with other agencies | Zero Tolerance | SMT | Kent Safeguarding Children Board Local Children's Service Partnership arrangements Kent & Medway Adult Protection Arrangements Robust Staff Supervision including dip sampling processes Risk Management Procedures | I = 3 L = 2 Score = 6 | Review of Safeguarding arrangements within CMY Services. | TBC |
| 8.3 | Safety Large numbers of staff involved in front line activity | Staff, especially those working alone, may be at risk of harm | Prevent incidents or abuse | Divisional Directors | Lone worker policies & procedures Training and continuous review Contact Centre involvement H&S expertise in HQ and divisions | I = 5 L = 2 Score = 10 | Roll out pilot 'lone worker' scheme in the Contact Centre | July 09 |
| 8.4 | Safety | A service user may cause harm to others | Zero Tolerance | Divisional Director | Implementation of Risk Management Policies Multi-Agency Public Protection Arrangements (MAPPA) | I = 5 L = 2 Score = 10 | | |

| Risk No | Source | Event / Risk | Planned Outcome | A/C Manager | Existing controls | Residual Risk Ranking | New Tasks / Actions | Date |
|---------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|--------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------|---------------------|
| 8.5 | Safety A large number of public access points | A member of the public or contractor may be injured on KCC premises, or while carrying out work on behalf of KCC | Prevent accidents | Divisional Directors | Health & Safety procedures Contract management procedures | I = 4 L = 2 Score = 8 | Monitor & ensure implementation of recs from a recent review of contract management procedures | Ongoing. |
| 9.1 | Environmental Climate change | Climate change affects current assumptions about service delivery | Manage and/or adapt | Divisional Directors | | I = tbc L = tbc | Programme of awareness raising leading to new action plans and implementation | July 09 and ongoing |



Environment & Regeneration Directorate Risk Register

Mike Austerberry
Environment, Highways and Waste

This is the Environment & Regeneration Directorate Risk Register for the Environment, Highways and Waste Portfolio (Environment & Waste, Kent Highway Services and Resources). In addition to this Directorate Register, each Service Unit of the Directorate has its own risk register.

The focus for the Directorate Register is on crosscutting risks affecting the whole Directorate (or at least several Service Units) and high impact or high profile risks.

The Directorate Register is agreed by the E&R Directorate Strategy Team (DST) and each Service Unit Register by the respective Senior Management Team.

| | | | | | | | |
|-------------------------------------------------------------------------------------------------|---------------|---|-----------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Likelihood  | Very likely | 5 | 5 Low | 10 Medium | 15 Medium | 20 High | 25 High |
| | Likely | 4 | 4 Low | 8 Medium | 12 Medium | 16 High | 20 High |
| | Possible | 3 | 3 Low | 6 Low | 9 Medium | 12 Medium | 15 Medium |
| | Unlikely | 2 | 2 Low | 4 Low | 6 Low | 8 Medium | 10 Medium |
| | Very Unlikely | 1 | 1 Low | 2 Low | 3 Low | 4 Low | 5 Low |
| RISK RATING MATRIX | | | 1 | 2 | 3 | 4 | 5 |
| | | | Minor | Moderate | Significant | Serious | Major |
| | | | Impact  | | | | |

AUTHORS

This document was prepared by:

David Thomas
Kay Groves
Gemma Warburton**VERSION HISTORY**

| Version Date | Document Version | Document Revision History | Document Author/Reviser | Approval Date | Approver Name |
|-----------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------|---------------|
| 3 December 2008 | V1.0 | Register compiled by the Business Improvement Team following the refresh of Service Unit Registers with the appropriate Leadership Team during Nov/Dec 08 | David Thomas/ Kay Groves/ Gemma Warburton | 17 December 2008 | DST |
| 20 January 2009 | V2.0 | Updated risk KHS18 following recommendations from Resources SMT | Simon Maloney | | |

RISK REGISTER

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------|
| KHS 1 Page 137 | Claim by URN/LCR against KCC for CTRL construction claims using all edged option on land taken under CPO for STDR4 (Financial, reputation) | Full or partial decision by Court of appeal against KCC in early 2010 This risk has a KCC wide impact | Court of Appeal decision in favour of KCC | John Farmer | I= 5 L= 5 R= 25 High Risk | <ul style="list-style-type: none"> Legal Counsel Preliminary hearings | <ul style="list-style-type: none"> Preliminary hearing before the President of the Lands Tribunal-Dec07 Appeal against decision which found against KCC to take place end of 2008 | <ul style="list-style-type: none"> Ongoing | I= 5 L= 4 R= 20 High Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
|--------|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| KHS 4a | Traffic using the extensive road network throughout Kent results in traffic collisions (People, Financial, Reputation) | Road traffic collisions with fatal/life threatening consequences | Reduce KSI levels and avoid Corporate Manslaughter / H&S prosecutions | Caroline Bruce | I= 5 L= 5 R= 25 High Risk | <ul style="list-style-type: none"> • Risk Manager • H&S Group • Investigative audits & risk assessments • Procedures • Staff training • Monitoring <p><i>Whilst mitigating against KSI and slight injuries, we can only strive to affect driver behaviour</i></p> | <ul style="list-style-type: none"> • Continue to audit high risk areas re: potential for corporate manslaughter • Ensure accurate/up-to-date asset register in place • Work towards ensuring a robust KHS risk management system is in place • Further develop the joint working relationship with Kent Police in relation to Road Death Investigations and safety issues on the highway • Maintain systems to facilitate the agreed joint procedures with Kent Police • Internal Audit • Ensure effective preventative maintenance programme is in place and implemented • Develop 'Safety Critical Asset' approach • Undertake review of asset maintenance plan to ensure policy matches the annual budget allocation • Monthly reporting to alliance board and executive of fatal life threatening incidents | <ul style="list-style-type: none"> • Monthly • Dec 09 • Dec 08 • Ongoing • Ongoing • On-going • On-going • Dec 09 • Dec 09 • Monthly | I= 5 L= 3 R= 15 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| KHS7 and EW7 Page 139 | Climate Change and the possible affects of any extreme weather conditions which could prevail as a result (Financial & Resources) | Damage to valuable assets/ infrastructure/ affect on staff from extreme weather conditions | Take account of climate change and ensure resilience against extreme weather conditions | Norman Bateman for KHS And Carolyn Mckenzie / Linda Davies for E&W | I= 5 L= 4 R= 20 High Risk | <ul style="list-style-type: none"> Information being collected on existing drainage systems Flooding hot spots identified Flood Risk Review almost complete Contact maintained with Kent Resilience Forum <p><i>Whilst mitigating against severe weather, we can only strive to control the affects of this and there maybe extreme instances which breach our control.</i></p> | <ul style="list-style-type: none"> Report to the KHS Executive on Safety Critical Assets <p>Flooding</p> <ul style="list-style-type: none"> Review known ponding/flooding areas Manage all known flood locations proactively (similar to winter maintenance) Resurrect county wide drainage improvements database <p>Structures</p> <ul style="list-style-type: none"> Review structures assets and identify strategic assets Review inspection programme for strategic assets <p>Storms & Gales</p> <ul style="list-style-type: none"> Review procedures for incident management during adverse weather events for tree damage/falls. <p>Continued over page...</p> | <ul style="list-style-type: none"> Complete In progress Ongoing Complete Complete Early 2009 Complete End 2009 End 2009 | |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| KHS7 and EW7 cont. Page 140 | Climate Change and the possible affects of any extreme weather conditions which could prevail as a result (Financial & Resources) | Damage to valuable assets/ infrastructure/ affect on staff from extreme weather conditions | Take account of climate change and ensure resilience against extreme weather conditions | Norman Bateman for KHS And Carolyn Mckenzie / Linda Davies for E&W | I= 5 L= 4 R= 20 High Risk | <ul style="list-style-type: none"> Business Continuity Plan Team Climate Change Action Plans | <p>Heat waves</p> <ul style="list-style-type: none"> Identify strategic assets vulnerable to heat damage. Review use of bituminous materials to mitigate susceptibility to heat damage Workgroup formed by Business Improvement Team to: <ul style="list-style-type: none"> Review and test Business Continuity Plan Update Business Continuity Plan after test and regularly as required Climate Change action plans to be produced as part of business planning Support Members Steering Group to ensure members are fully briefed | End 2009 | I= 5 L= 3 R= 15 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| R2 Page 141 | Reliance upon IT systems and adequate levels of support critical to business operations (Effect on Service) | IT System failures not reported or resolved in a timely way causing disruption and / or failure in continuity of services | Failures of systems and / or large scale faults are prevented where practical. Resolution of faults in line with third party SLA's. Continuity of service is not affected | David Beaver | I= 5 L= 4 R= 20 High Risk | <ul style="list-style-type: none"> Business Continuity Plan ISG corporate support Service and maintenance agreements in place Temporary IT support team Contractual SLA's Shared drive/ISG back-up Corporate IT Strategy Group External hosting | <ul style="list-style-type: none"> Regular updates of Business Continuity Plans Externally hosted sites with disaster recovery in place. Testing of BCP's Recruit competent key personnel Recruit increased personnel User acceptance testing | Ongoing | I=5 L=3 R=15 Medium Risk |
| R3 | Budget allocation, with emphasis on delivering infrastructure for growth areas, major scheme cost over runs and increased investment in highways maintenance | Capital programme management, (ensure sufficient resources and appropriate scheduling to deliver the programme) | Agreed programme of work delivered within agreed timescales and achieved, without the need for additional resource / funding | Richard Hallett | I= 5 L= 5 R= 25 High Risk | <ul style="list-style-type: none"> Budget monitoring Risk assessments Financial procedures Project Approval Process Scheduling PM Training | <ul style="list-style-type: none"> Monthly budget monitoring to continue alongside quarterly corporate monitoring. Increased support to capital monitoring through team reorganisation | Ongoing | I=5 L=3 R=15 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| R10 | Health and Safety incidents | Failure to manage H&S incidents within E&R | All Service Units are aware of their obligations with H&S under control | Kelli Davis and Flavio Walker | I = 4 L = 3 R = 12 Medium Risk | <ul style="list-style-type: none"> Existing H&S Management plan covers biggest risk areas. High risk environments have well established focus groups that monitor activity and process. Training and instruction of staff to maintain standards. Regular monitoring / audits of E&R and contractor H&S activity Fostering good relationship with local enforcement agents. H&S Board/ Groups | <ul style="list-style-type: none"> Review of internal H&S structure to meet new directorate needs and those of the Blue Book 6 month update of H&S Management plan in November. Audit programme to commence January 2009 to April 2009. New internal H&S information pages due to be launched for directorate. Move focus on high risk services e.g. KHS and E&W Register of Risk Assessments Audit of Contractors performance H&S Management System Develop Operational Risk Register | <ul style="list-style-type: none"> Complete Nov 08 Complete Nov 08 and then ongoing January 09 Dec 08 Ongoing Ongoing Ongoing Ongoing | I = 5 L = 3 R = 15 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| EW 10 | Influencing how people behave towards the environment is a major theme for E&W (Reputation, Financial) | Waste projects do not positively influence peoples behaviors | Ensure Waste projects deliver change in public attitude | Caroline Arnold/ Sue Barton | I= 4 L= 4 R= 16 High Risk | <ul style="list-style-type: none"> • Campaigns and communication to the public | <ul style="list-style-type: none"> • Contract with professional marketing communications company to ensure that messages and campaigns are targeted, and monitored | Ongoing | I=4 L=3 R=12 Medium Risk |
| R1 Page 143 | Budget allocation, with particular emphasis on added complexities of delivering substantial savings, support to growth areas, and Directorate restructure | Insufficient budget/ major overspend on revenue budget (especially with Member expectation on service enhancement in highways maintenance) | Expenditure matches budget | Richard Hallett | I= 5 L= 4 R= 20 High Risk | <ul style="list-style-type: none"> • Budget allocation/ monitoring • DST ownership • Activity level reporting • Risk assessment • Management action plan to deliver savings • Financial procedures/ training • Income generation/ external funding process • MTP process | <ul style="list-style-type: none"> • DST agreeing MAP if required • Finance team reorganisation to deliver correct support to new Directorate structure • Business Plan communication to staff • Action any internal audit recommendations | Ongoing | I= 4 L= 3 R= 12 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| R5 | Replacement of MIDAS financial system | Monitoring and control issues resulting from the switch over to the new system. Failure of system before replacement is in place | MIDAS replacement in place and meeting business need | Richard Hallett | I= 4 L= 4 R= 16 High Risk | <ul style="list-style-type: none"> Detailed functionality specification completed Nov 08 Support from ISG/Corporate Finance Experienced MIDAS system operators | <ul style="list-style-type: none"> Appoint MIDAS replacement project officer Jan 09 Prepare comprehensive project plan Feb 09 New spreadsheet system of checking invoices that could be used to recreate majority of expenditure | Complete by Sept 09 | I= 4 L= 3 R= 12 Medium Risk |
| KHS 18 Page 14 and incl. on the Direct- orate Risk Reg. | Insufficient skill and capacity | Contracts are not administered in the correct way leading to failure of internal/ external audits | All contracts are administered correctly and receive satisfactory audit outcomes | David Beaver | I = 4 L = 5 R = 20 High Risk | <ul style="list-style-type: none"> Temporary Contracts Manager in post until Dec. Alliance Contracts Group (ACG) form to jointly resolve contractual issues Manual financial controls in place Line management scrutinizing cost Reporting of Financial reports are inaccurate in WAMS PDP's/appraisals Specialist support/expertise | <ul style="list-style-type: none"> Advertised for permanent replacement at market rate Systems reports show compliance issues On-going system improvements Escalation meeting arranged with Red Sky & PBMI Training program being delivered New temporary contracts manager from Jan 09 Employ quantity surveyor | By Dec 09 | I = 3 L = 4 R = 12 Medium Risk |

* Previously R6 in the Resources Risk Register – Requested to be transferred to KHS Risk Register Jan 09

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| R8 | Staff Engagement – KCC Internal Communications Paper, KCC Strategy for Staff (Effect on E&R service delivery and Reputation) | Staff morale & performance and retention levels are compromised through lack of meaningful engagement / comms especially important whilst new structures and ways of working are bedding in | Improvement achieved in E&R and divisional staff engagement index (as measured by KCC and E&R internal staff surveys) | Alan Loft and all DST members | I= 4 L= 4 R= 16 High Risk | <ul style="list-style-type: none"> · E&R Learning & Development Plan · Work & Wellbeing Group · Induction / appraisal · Talent Management · Staff conferences · Rewards Strategy · Staff Survey · Support Line · Appraisals/PDP's/ 1-1's · Regular consistent communication · Quality Service Awards | <ul style="list-style-type: none"> · Organisational Improvement Officer in post from Jan 2009 · Divisional and E&R action plans to address staff survey issues · Range of new staff engagement activities to be introduced including: <ul style="list-style-type: none"> a) DST monthly Newsletter to all staff b) EEDT established to drive forward Change Groups actions c) Review of appraisal d) Quarterly E&R Staff Forums with DST e) Introduction of OLM · Stress Risk Assessment | <ul style="list-style-type: none"> · Jan 2009 · Dec 2009 · Dec 2008 · Nov 08 and then ongoing · Jan 2009 · Quarterly · Jan 2008 · Ongoing | I=4 L=3 R=12 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| EW 18 | Two tier working | Improved Waste Management two tier working in East Kent | Pilot of two tier working is a success | Linda Davies | I = 5 L = 4 R = 20 High Risk | <ul style="list-style-type: none"> · Kent Waste partnership with Districts exists · Appointment of Project Manager · Funding in place | <ul style="list-style-type: none"> · Membership of Steering Group · Portfolio Holder on Project Board · Regular technical input | March 09 | I = 3 L = 3 R = 9 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| KHS2 | Budget allocation (Financial, Effect on project objectives) | Insufficient budget to meet public & member's expectations with regard to KHS services | Expenditure matches budget | Mike Palmer | I= 3 L= 5 R= 15 Medium Risk | <ul style="list-style-type: none"> Ensure budget allocated on basis of risk Programme management Communications Member engagement Business plan and 7 Service Plans Regular Resident, member and Parish Surveys for progress check Specific Transformation Programme Risk and issues strategy in place and monitored. | <ul style="list-style-type: none"> Publish a 'vision' to staff so that they know where KHS is going as well as the importance of their role in delivering the right service Monthly Measuring Success report to Alliance Board Executive and all staff to demonstrate performance. 1/4rly Cabinet performance reports Caroline Bruce as Interim Director of KHS Input from Paul Carter review of KHS Raising awareness of customer focus to all staff Implement recommendations from PwC review Performance data presented as a dashboard for staff and managers enabling performance to be managed proactively Parish portal and Parish Seminars Re-focusing staff to customer service | <ul style="list-style-type: none"> With each staff consultation Monthly Ongoing | I= 3 L= 3 R= 9 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| KHS 17 | Borough Green/ Platt by-pass | Not able to complete by-pass | Funding secured and programme of work agreed | Caroline Bruce Other Key Managers – John Farmer | I = 3 L = 4 R = 12 Medium Risk | <ul style="list-style-type: none"> Legal advice obtained which indicated minimum level of work required to enact the planning decision | <ul style="list-style-type: none"> Review planning application result in Spring/Summer | <ul style="list-style-type: none"> Spring/ Summer 09 | I = 3 L = 3 R = 9 Medium Risk |
| R7 Page 148 | E&R Directorate Restructure 2008 | Insufficient capacity in support services to meet requirements of services | Acceptable levels of support services provided whilst adhering to MTFP imperative to reduce costs | Alan Loft (Other key managers Kelli Davis, David Beaver, Alison St Clair Baker, Richard Hallett) | I = 4 L = 4 R = 16 High Risk | <ul style="list-style-type: none"> New Resources accountabilities Improved workload monitoring Business process re-engineering Performance management system Senior Manager participation in service divisions SMT's Agreed prioritisation through DST where appropriate Close working with corporate centre | <ul style="list-style-type: none"> Recruit to existing vacancies within new budget provision Resources Division to pilot QMS Regular updates through PMS to SMT | <ul style="list-style-type: none"> From Nov 08 March 09 From Nov 08 | I = 3 L = 3 R = 9 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| R9 | E&R Reputation (Reputation) | Poor public perception of services delivered | E&R services are promoted on basis of (as measured by improving public perception of services) | Alison St Clair Baker and Kelli Davis | I= 3 L= 5 R=15 Medium Risk | <ul style="list-style-type: none"> E&R 08/09 Comms Strategy Statement E&R Media Forward Planner KCC Media Centre <i>Jewels in the Crown</i> Complaints procedure Monitoring Customer satisfaction monitoring Mystery shopping Member engagement | <ul style="list-style-type: none"> Recruitment and core training of Engagement & Comms Team, including Customer Insight Officer role Review of Eng & Comms Officers Engagement & Improvement Strategy in place Review of customer experience across the directorate Quality assurance framework to be developed to aid improvement in service and achievement of deadlines. Better use of TCP and B4S | <ul style="list-style-type: none"> Jan/Feb 2009 Feb 2009 Mar 2009 Dec 08 – Feb 09 Mar 09 Ongoing | I= 3 L= 3 R= 9 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| KHS 12 Page 150 | The M20/M2 motorway network provides the main vehicular gateway to and from Europe (People, Reputation) | Operation Stack - Unable to find alternative solution | Solution found to alleviate the effect of Operation Stack | Behdad Haratbar | I= 4 L= 5 R= 20 High Risk | <ul style="list-style-type: none"> Appoint consultants to support project development and provide expert advice | <ul style="list-style-type: none"> Tenders for economic assessments have been invited – returned 14 Nov 08 – award by early Dec. Land referencing is complete. Geotechnical, topographical and environmental surveys have commenced | <ul style="list-style-type: none"> Ongoing | I= 4 L= 2 R= 8 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| EW 15 Page 151 | The council's strategy is to manage the waste in Kent in a more sustainable manner and to move away from our traditional dependency on landfill. A key element of that strategy is the development of a major Waste to Energy Facility at Allington, near Maidstone (Reputation, Effect on Service, Financial) | Allington Waste to Energy Plant continues to falter | Full service capacity of the Allington Waste to Energy Plant | Linda Davies (Environment & Waste) Sue Barton | I = 3 L = 4 R = 12 Medium Risk | <ul style="list-style-type: none"> Contract provisions isolated KCC from contractual financial risk Liaison with waste collection activities re waste logistics during commissioning Watching brief on LATS risk Monitoring of financial implications | <ul style="list-style-type: none"> If current takeover tests are unsuccessful review need for further due diligence enquiries | Ongoing | I = 3 L = 2 R = 6 Low Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| KHS 14 Page 152 | The ground-breaking Kent Freedom Pass was launched by KCC in June 07 and has proved to be a hugely popular scheme and will be extended further in June 08 with a full countywide roll out in 09 (Reputation) | Unexpectedly high take-up for Kent Freedom Pass | Access to Kent Freedom Pass scheme to all those wishing to participate | David Hall | I= 3 L= 3 R= 9 Medium Risk | <ul style="list-style-type: none"> Modeling of costs based on initial pilot Weekly count of applications Regular updates to Members | <ul style="list-style-type: none"> Roll-out is on target with half of all District areas now having access to Freedom. Further roll-outs are Swale and Thanet in January 09 then Gravesham, Dartford, Sevenoaks and Ashford in June 09. As at the end of October 08, 10,000 passes have been issued, which is on target. | <ul style="list-style-type: none"> Further rollouts Jan and June 09 then completion | I= 3 L= 2 R= 6 Low Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| R4 Page 153 | KCC has a legal duty to meet all Data Protection and Freedom of Information Act requirements | Infringe Data Protection Act / Freedom of Information Act | All Data Protection Act and Freedom of Information Act requests are dealt with inline with agreed processes and all Resources staff understand and follow correct procedures | Kelli Davis and Pauline Banks | I= 4 L= 3 R= 12 Medium Risk | <ul style="list-style-type: none"> FOIA/DPA Officer Procedures / Plan Training Monitoring Corporate Reporting | <ul style="list-style-type: none"> Improved recording & monitoring System Recruitment of a new support staff member to assist the IG Officer. General awareness training | Ongoing | I=2 L=3 R=6 Low Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| R11 | National legislation (People, Compliance with Law/ Contracts) | Not meeting DDA/Race Equality requirements | Comply with legislation | Alison St Clair Baker | I = 3 L = 3 R = 9 Medium Risk | <ul style="list-style-type: none"> Equalities Group Consultation procedures Promotion of training opportunities to staff EIA work ESLG work Specific actions in Business plans Required element of project checklist Access to key demographic and economic data via Kent View Link to Level Playing Fields, UNITE, Rainbow forums as well as the DDA access group | <ul style="list-style-type: none"> Further promotion and monitoring of staff training Consider further use of equality websites when recruiting staff New Equalities and Diversity Officer to be recruited in Dec 08 who will establish new E&R Equalities Group and take forward Directorate Action Plan | <ul style="list-style-type: none"> Ongoing Dec 08 | I = 3 L = 2 R = 6 Low risk |



Environment & Regeneration Directorate Risk Register

David Cockburn
Economic Development

This is the Environment & Regeneration Directorate Risk Register for the Economic Development Portfolio (Integrated Strategy & Planning and Regeneration & Economy). In addition to this Directorate Register, each Service Unit of the Directorate has its own risk register.

The focus for the Directorate Register is on crosscutting risks affecting the whole Directorate (or at least several Service Units) and high impact or high profile risks.

The Directorate Register is agreed by the E&R Directorate Strategy Team (DST) and each Service Unit Register by the respective Senior Management Team.

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|-------------------------------------------------------------------------------------------------|---------------|---|-----------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Likelihood  | Very likely | 5 | 5 Low | 10 Medium | 15 Medium | 20 High | 25 High |
| | Likely | 4 | 4 Low | 8 Medium | 12 Medium | 16 High | 20 High |
| | Possible | 3 | 3 Low | 6 Low | 9 Medium | 12 Medium | 15 Medium |
| | Unlikely | 2 | 2 Low | 4 Low | 6 Low | 8 Medium | 10 Medium |
| | Very Unlikely | 1 | 1 Low | 2 Low | 3 Low | 4 Low | 5 Low |
| RISK RATING MATRIX | | | 1 | 2 | 3 | 4 | 5 |
| | | | Minor | Moderate | Significant | Serious | Major |
| | | | Impact  | | | | |

AUTHORS

This document was prepared by:

David Thomas
Kay Groves
Gemma Warburton**VERSION HISTORY**

| Version Date | Document Version | Document Revision History | Document Author/Reviser | Approval Date | Approver Name |
|-----------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------|---------------|
| 3 December 2008 | V1.0 | Register compiled by the Business Improvement Team following the refresh of Service Unit Registers with the appropriate Leadership Team during Nov/Dec 08 | David Thomas/ Kay Groves/ Gemma Warburton | 17 December 2008 | DST |

RISK REGISTER

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| SP2 Page 157 | The Kent Environment Strategy sets a wide-ranging and ambitious programme for environmental improvement. (Reputation, Partnerships) | Failure to meet key targets in the Kent Environment Strategy | Meet key targets which will help to secure a place where we all live and work in healthy, clean, safe, enjoyable situations with a clear regard for our impact on the broader environment | Geoff Mee | I= 4 L= 5 R= 20 High Risk | <ul style="list-style-type: none"> · Strategies in place · Monitoring, especially performance indicators · Partnership working · Established lines for accountability · Have secured Member support/buy-in · Business plans to include specific actions to deliver Climate Change Action Plan | <ul style="list-style-type: none"> · Continue to raise awareness · Recruitment to Environmental Strategy Manager Post | <ul style="list-style-type: none"> · Ongoing · Reliant on re-structure | I= 4 L= 5 R=20 High Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| SP3 | Implementing replacement planning applications system (Financial, Reputation) | Reduction in / loss of technical support for planning information system as providers move to a new system | New system meets business need and staff are proficient users | Sharon Thompson | I= 4 L= 4 R= 16 High Risk | <ul style="list-style-type: none"> Review current system against business requirements Liaison with current providers on requirements for new system Input to tender process for alternative system from all sections of Group Staff meetings Project plan for implementation of new system and transfer of data between systems | <ul style="list-style-type: none"> Staff training on new system Procure new system to meet requirements of 21st century planning system | Ongoing | I= 4 L= 4 R=16 High Risk |
| SP 10 | Minerals & Waste Development (Financial, Compliance with law, Reputation) | Meet statutory deadlines for policy development in terms of Minerals & Waste Development Scheme | Manage / control through to adoption | Mick Sutch | I= 4 L= 5 R= 20 High Risk | <ul style="list-style-type: none"> Defined and communicated statutory timescales Monitoring of workloads Cabinet process Business plan monitoring Work Prioritisation Appointment of suitable resources to deliver project | | | I= 4 L= 4 R= 16 High Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| RE1 | "Kent – what Price Growth?" aspires to ensure housing and jobs growth is aligned and that benefits of growth are County-wide and not confined to the designated growth areas | Not securing commitment to delivery of key infrastructure needed to achieve the sustainable communities and benefits of growth | Delivery of key infrastructure for growth | Theresa Bruton/Nigel Smith | I= 5 L= 5 R= 25 High Risk | <ul style="list-style-type: none"> Project progress reports Clear delegation and accountability across directorates Joint working across service directorates and with key partners Business plan targets cover whole of county Specific targets in business plan supporting economic development and skills development Use of economic statistics to monitor and identify trends Close involvement with Inward Investment Agency (LiK) Input to key regeneration strategies | <ul style="list-style-type: none"> Engagement with new portfolio holder Launch of Regeneration Strategy New Regeneration Board Structural reviews to meet requirements of new Regeneration Strategy | <ul style="list-style-type: none"> Ongoing Dec 08 Jan 09 April 09 | I= 5 L= 3 R= 15 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| RE2 | Developer contributions are intended to ensure that developers make appropriate provision for additional facilities and services, that are required to mitigate the impact of a development (Financial, Effect on Service) | Failure to secure developer contributions towards infrastructure to help deliver sustainable communities | To secure development contributions to support delivery of community facilities | Nigel Smith | I= 5 L= 4 R= 20 High Risk | <ul style="list-style-type: none"> · Representations to Districts on LDF process · Team leads identified for each project/major sites · Joint negotiation strategies with Districts for major site developments · Quarterly monitoring reports to Cabinet, COG and FSB · Developer's Guide linked to Community Strategy · Appeal hearings supporting methodologies in the Developers Guide · Use of in-house demographical model for identifying provision required from developers · Seek for full range of KCC services · Use of external contractor to assist team · Use of virtual multi-disciplinary teams on major site developments · Training provided to team members on specific issues as part of development sessions · Continued liaison with AIT on service mapping | <ul style="list-style-type: none"> · Continue series of training workshops · Continued work programming schedules prepared by team leader · Recruitment to vacant post · Finish production of service provider local development framework packs · Revise Developers Guide in readiness for CIL | <ul style="list-style-type: none"> · Ongoing · Ongoing · April 09 · March 09 · Dec 09 | I= 5 L= 3 R= 15 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| SP1 | The IS&P Division has a pivotal role in developing policy for the County and in influencing, on behalf of KCC, policy development at national, regional and local level. | Conflict between community and Members views across a range of issues affecting IS&P priorities | External influencers aligned to Planning & Development policy and have understanding of the Division's business. | Geoff Mee | I= 4 L= 5 R= 20 High Risk | <ul style="list-style-type: none"> · Consultation · Staff Training · Member briefing notes · Strong working relationships with Members · Partnership working / joint group working · IMG for key policy development | <ul style="list-style-type: none"> · Engagement with new portfolio holder | Ongoing | I= 4 L= 3 R= 12 Medium Risk |
| Page 161 | Planning Policies (Financial, effect on Service) | Failure to ensure appropriate planning policies in place to seek developer contributions and service delivery | Policy support for development investment work | Nigel Smith | I= 5 L= 4 R= 20 High Risk | <ul style="list-style-type: none"> · Developer's guide · LDF Working Group · Representations to Districts · Joint working at officer level on major sites | <ul style="list-style-type: none"> · Recruitment to vacant post · Finish production of service provider local development framework packs · Revise Developers Guide in readiness for CIL · New working practice with Strategy Team via redesign process | <ul style="list-style-type: none"> · April 09 · March 09 · Dec 09 · April 09 | I= 5 L= 2 R=10 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| SP8 | The LTP sets out the transport vision for the County for 2025 (Effect on Service, Reputation) | LTP not used to drive and prioritise KCC transport schemes | Use the LTP to provide good, safe accessibility to jobs and services for all sections of the community in Kent, and to improve the environment and health of the community by reducing congestion and pollution, widening the choice of transport available and by developing public transport, walking and cycling. | Mick Sutch | I= 4 L= 5 R= 20 High Risk | <ul style="list-style-type: none"> · Cabinet support for plan endorsed through committee process · Staff trained and experienced in using PIPKIN (prioritisation software) · Clear documentation of modeling processes · Monitoring reports · Internal liaison processes · Consultation processes in development of LTP | <ul style="list-style-type: none"> · Promote more joint working across and with divisions · Ensure integration into Integrated Transport Strategy | <ul style="list-style-type: none"> · Ongoing · As strategy develops | I= 3 L= 3 R= 9 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| RE 10 | Partnership Working (Reputation, Political, Partnerships) | Ineffective partnership working undermining ability to deliver strategic business objectives | Effective partnership working | Theresa Bruton | I= 3 L=4 R=12 Medium Risk | <ul style="list-style-type: none"> Agreed terms of reference for all significant and major partnerships Agreed objectives for partnerships Progress reports on partnership projects/initiatives reported to Board meetings Agreed and clear delegation and accountability partnerships Discussions at Leadership Team on effectiveness of partnerships Shared accountability | | | I= 3 L= 3 R= 9 Medium Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------|
| RE 13 | KCC objective to protect and enhance Kent's environment | Adverse impact of regeneration activity on environment | Regeneration delivery enhances local environments | Theresa Bruton | I= 4 L= 3 R= 12 Medium Risk | <ul style="list-style-type: none"> · Advocacy of Kent Design codes · Specific projects to mitigate effects of development (e.g. water saving / energy strategies) · Environment-led regeneration projects (e.g. Discovery Park) · Projects promoting development of renewable technologies (e.g. Offshore wind farms) | | | I= 3 L= 3 R= 9 Medium Risk |
| SS 13 | Requirement of a formal environmental assessment of certain plans and programmes which are likely to have significant effects on the environment (Compliance with Law) | Strategic Environment Assessments and Sustainability Assessments judged inadequate / of poor quality and possibility therefore of Planning Inspector or DCLG imposing external conditions on future activity | Strategic Environment Assessments and Sustainability Assessments are accurate and of sound quality | Mick Sutch | I= 3 L= 3 R= 9 Medium Risk | <ul style="list-style-type: none"> · Use of consultants/staff expertise · Robust intelligence systems · Project plan · Staff training | <ul style="list-style-type: none"> · Recruitment to vacancy to fulfill role | <ul style="list-style-type: none"> · Reliant on re-structure | I= 3 L= 2 R= 6 Low Risk |

| Ref | Source | Event | Planned Outcome | Accountable Manager | Inherent rating (without any controls in place) | Existing Controls | New Tasks/ Actions | Date | Residual rating (with controls in place) |
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| RE6 Page 165 | Kent's Public Service Agreement 2 is the second contract between KCC and Government to deliver improvements to public services in Kent (Financial, Reputation, Partnerships) | Failure to delivery LPSA2 target relating to bringing empty homes across Kent back into use | Reduce the number of long term empty properties and bring them back into occupied use | Theresa Bruton | I= 4 L= 3 R= 12 Medium Risk | <ul style="list-style-type: none"> Interim dedicated project manager to monitor project and performance of SPV leading on project Project planning T2010 target (gives high priority) Joint working initiatives with districts Monitoring and audit reports | <ul style="list-style-type: none"> Confirm dedicated officer role | | I= 3 L= 2 R= 6 Low Risk |

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Kent Adult Social Services RISK REGISTER
January 2009

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 1 | L5 Score 25 | Impact of Recession on KASS | <p>Risk of increase of financial abuse</p> <p>Longer term issue of more self funders needing support as a result of depleted funds (e.g. house sales at depressed prices, or failed investments).</p> <p>Increase in family breakdown as a direct result of recession (e.g. unemployment/ financial difficulties / homelessness)</p> <p>More pressure on carers as a result of family breakdown as outlined above</p> | To support as far as possible vulnerable adults who will be adversely effected by the recession | SMT | <p>Benefit maximisation through plans as outlined in T2010 Action plans</p> <p>Re-shaping of the Directorate through SDS / AFLA to ensure that people are given effective support which empower and promote independence</p> <p>Continue to develop employment opportunities for vulnerable people.</p> <p>Key links with Job Centre Plus to ensure full advice of benefits</p> <p>SMT monitoring of the KASS budget and of staffing levels.</p> <p>Links with key Partners such as the NHS to provide cross organisational services.</p> <p>Continued development of preventative services within the community to offer people more support at an early stage.</p> <p>Working with partners to support the development of appropriate housing which meet the needs of older people and people with disabilities at affordable levels.</p> | <p>Implementation of SDS across the KASS Directorate to realign the service that KASS provides.</p> | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 2 | I = 5 L = 4 Score = 20 | Increase in referral outstripping available resources. Improved customer care- easier access. Long term trends of people living longer - with long term conditions (dementia). Longer term risk of people financially assessed with houses now being set up as self-funders running out of money more quickly than their predecessors in similar circumstances because the value of their house (if sold | Demand outstrips available resources. Access points become clogged up. Increase in complaints. Increase demand on services. Increase in costs for preventative work. Shift towards Preventative Working which means we are taking more risks with the community. Identification of more need through preventative community based work. Raise Eligibility Criteria. Poor publicity. Demographic Challenges. Kent's population is expanding. The demographic profile is ageing- an extra 63,100 people aged 65+ in Kent over next 10yrs. Complexity and greater need of those people with LD Impact of current Financial Market with | Through partnership working, modernisation etc Directorate able to meet increase in demand. | SMT | Duty Service. Self Assessment. E-Govt initiatives / new ways of accessing. Increased user involvement. Joint planning with partners. Planning for the future e.g., The Vision, Active Lives, Older Persons strategy Focus on prevention and early intervention. Business Planning- New 3 Year Business Plan in place. Finance and Activity Monitoring. Contracting and Procurement Controls. Towards 2010 & Kent Agreement 2. Reviewing charging policy. Using ever increasing sophisticated systems to plot future need. (e.g. MOSAIC, dashboard) Modernisation of Directorate through ALFA (Active Lives for Adults)- SDS (Self Directed Support) ALFA – major project to re-design Directorate focusing on self directed support & improved access Strategic Review and | Proposed end to end review of income collection process in partnership with Corporate Finance. | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 3 | I = 5 L = 4 Score = 20 | <p>Health Service Economy Risk to Social Services / investment in community based preventative services as a result of difficulties in Health Economy. Split Budget into an East and West Economy.</p> | <p>Delayed discharges increase. Resources moved out of 'prevention'. Delays in admissions for elective treatment. No guarantee that shifts of funding from Acute to Community Services will happen. Mental Health readmission rates. Partnership funding for new clients. Fit for the future - Risk due to hospital reconfiguration. Risk of cost transferred to KASS. Unpopular decisions in order to stay within budget and the subsequent public re-action – could destabilise new Health organisations. Different challenges being faced by PCTs and Mental Health trusts. Difference financial challenges faced by East and West PCTs.</p> | <p>Joint investment in community based preventative services which promote independence</p> | SMT | <p>Range of preventative projects. Scrutiny of Health through HoSC. PCT / PEC Reps. Partnerships / joint working with Health. Consultation on the future of Adults in Social Care. Joint commitment to PSA2 Target on reducing emergency hospital admissions of older people. JSNA Towards 2010 Target & action plan – monitored closely. Continuing Care National Framework – Adult Services fully engaged in. Engagement of Members through Cabinet, Overview Committees, Local Boards. Lobbying of Govt. Lead arrangements with 3 PCTs. Whole Systems Demonstrator – telecare projects. Range of joint initiatives including POPPS / INVOKE in East Kent Brighter Futures Project QAF and the online Care Directory Urgent Care Demonstrator Kent Health Watch LINKS. Partnership working with PCTs which is leading to shared improvements and efficiencies</p> | | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 4 | I = 4 L = 4 Score = 16 | <p>Disproportionate numbers of people in need across the age ranges are being places by other L.A's or have moved into Kent from other parts of the country.</p> <p>Kent is a popular place for retirement. Adult / Older people Nursing & Residential placements made in Kent by other Authorities.</p> <p>Re-provision of people with LD (separate risk – see below)</p> | <p>Demands on health care and other related services. Increase in prices / cost. Resources not available for KCC residents.</p> <p>Disproportionate numbers of 'former self funding clients'. Increasing Demand / Complexity for LD cases.</p> <p>Impact of recent 'ordinary residence' judgements by Sec of State.</p> <p>Homes de-registering and moving to supported living. Supporting other LA's LD residents.</p> <p>Fewer CSCI inspections. Quality of care and associated AP issues. DASS role on quality.</p> <p>LD transfer may increase numbers</p> | Focus resources on priorities and greatest need | SMT | <p>Wider role of Adult Services Managing Director to influence agenda. Representation to Government. Partnerships with other agencies to plan etc.</p> <p>Strong planning and demographic projection processes</p> <p>Strong engagement with 'sustainable communities'</p> <p>Preventative Services. Business Plan, Kent Agreement / Towards 2010 -- e.g. Transitional target.</p> <p>Discussions with SAGA and others re long-term care insurance.</p> <p>Provision of social care directory on website and in hard copy</p> <p>Re provision of people with Learning Disabilities, who are currently in residential care managed by NHS.</p> <p>ALFA - SDS</p> <p>QAF and the online Care Directory</p> | Strategic review of other local authority looked after young people who remain living in Kent and require support from KASS | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 5 | I =5 L = 3 Score = 15 | Modernisation of Directorate | <p>Increased Demand / Finite Resources – means it is essential that Directorate develops more efficiencies through modernisation – ensure that these are sufficient.</p> <p>Changes in expectations and the choice agenda – people expect more control & choice over services. Personalisation can only be achieved through modernisation.</p> <p>Need to modernise alongside partners – ensure partners are able to do this.</p> <p>Destabilising of workforce – ensure morale remains high.</p> <p>Maintaining the physical state of units to meet the increase in inspection standards.</p> <p>Ensure suitably skilled, competent workforce across the social care sector and within KASS.</p> <p>LD Developments – Re-provision programme.</p> <p>OP Developments – Whole Systems Demonstrator, Brighter Futures Group</p> <p>ALFA; mutation of roles in relation to ALFA</p> <p>SDS Management Capacity</p> <p>Excess inflation and increases in utilities and fuel costs</p> <p>Market Failure</p> <p>Client Debt with not paying KASS or avoidance of paying KASS</p> | <p>A Directorate, which is providing choice, control and personalisation as outcomes.</p> <p>A Directorate, which is effectively meeting increasing demand.</p> <p>A Directorate which is able to respond to new challenges.</p> <p>A Directorate which has an ongoing engagement with the modernisation process.</p> <p>A strong workforce across social care in Kent to deliver service priorities.</p> | SMT | <p>Modernisation Board – Senior Managers & SMT – 3 main work streams.</p> <p>Good future planning – using demographic projections and latest research etc.</p> <p>Good structures to engage with the public about future services.</p> <p>Robust financial planning.</p> <p>ALFA – major transformation with focus on access and self directive support.</p> <p>T2010 & Kent Agreement – give framework to modernisation owned by members and in the case of Kent Agreement owed by partners.</p> <p>Workforce development strategy.</p> <p>Well developed Training programmes. IIP.</p> <p>Business Panning.</p> <p>Links with other Directorates.</p> <p>Staff care package.</p> <p>Training for Care contract.</p> <p>ALFA - SDS</p> <p>Strategic Review / Modernisation of 'in house' older people services</p> <p>Strategic Review / Modernisation of 'in house LD services</p> <p>JSNA with the Health Service</p> <p>Wider workforce planning with the independent sector</p> <p>Putting people first -the Social Care Reform Grant.</p> | <p>Reshaping of Complaints procedures to enable a statutory complaint to be made if using a personalised budget , in line with ALFA – SDS modernisation</p> | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 6 | I =5 L =3 Score = 15 | Impact of Market / Economic Pressures. KASS commissions about 85% of services from outside the Directorate. Many of them from the Private and Voluntary Sector. Although this offers efficiencies and value for money it does mean the Directorate needs the market to be buoyant to achieve best value. | Council is vulnerable to the market, which is likely to experience difficulties if the down turn in the economy continues for a long period Market unable to meet needs / demands. Competition for placements from other LAs/private funders. Contractors fail to deliver. Reliance on CSCI to monitor service standards. Less flexible for changes in service focus / service redesign. Market unable to meet needs Direct payments and personalised budgets will mean a move away from block contracts with LA – to personalised commissioning by service users. This presents a range of new challenges for the social care market. Impact on Labour Market | Effective influence on market to ensure value for money. Services meet desired quality. Sector part of modernisation agenda. Current Social Care Financial Market to weather the current Financial Market. | SMT | Annual price increase targeted at vulnerable areas/services. Move to risk-assessed contract monitoring – QAF. LD Cost model A strong Contracting Arm which ensures KCC gets value for money – whilst maintaining productive relationships w. providers. Regular market mapping and price increase pressure tracking. Drive to help providers reduce direct costs via access to Commercial Services purchases and other initiatives. Procurement and Contracting Controls. Finance and Activity Monitoring in-house services – targeted at market gaps Personal budgets & In Control. Projects. ALFA - SDS Strategic Review / Modernisation of 'in house' older people services Strategic Review / Modernisation of 'in house' LD services Work with providers in preparation for SDS Work with providers in preparation for SDS Tendering process for Enablement & Brokerage | | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 7 | I = 5 L = 4 Score = 20 | Increased pressure on Learning Disability Services due to LD Transfer from NHS | <p>Growth of LD market. Modernisation agenda. Availability of rooms. Cost of placements. Demographics. Transition. Complexities.</p> <p>Growth of Demand – Analysis of demographic pressures indicates that there will be more people with Learning disabilities and with a greater complexity of need.</p> <p>Cost of Residential Placements for People with Learning Disabilities</p> <p>Proposed transfer / Re provision of NHS – LD clients / resources. LA will be responsible for LD, which will add to pre-existing pressures</p> <p>Transition Planning</p> <p>Valuing People Now –Form Progress to Transformation – offers new challenges</p> <p>Limited time from Government to complete the LD transfer so may be rushed.</p> | <p>Person Centered Service – offering personalised services, which offer choice and control to those who use them.</p> <p>Resources focused to greatest need</p> <p>Vibrant market able to respond to local needs</p> | SMT | <p>ALFA - SDS</p> <p>Modernisation of LD daycare services</p> <p>Improved partnerships with Housing services, developing capacity</p> <p>Integrated (with Health) Learning Disability Service focused on promoting independence</p> <p>Integrated Mental Health Trust</p> <p>Strong relationships with Trade Organisations</p> <p>Development of Direct payments & Personal budgets / In control</p> <p>Development of employment opportunities</p> <p>Strong contracting arrangements- e.g. LD Cost model</p> <p>Strong financial and performance management</p> <p>Partnership Board / Groups ensuring full involvement of public / users in the development</p> <p>Development of employment opportunities</p> <p>Learning Disability Strategic Board</p> <p>Joint project group with NHS to plan for re- provision of people currently in NHS residential units. Main principle of project is 'person centred'</p> <p>New initiatives to increase employment opportunities for people with learning disabilities.</p> | Lobbying on NHS transfer via LGA, ADASS, CIPFA and direct to government | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 8 | <p>I = 3 L = 4 Score = 12</p> | <p>Impact of Future Government funding Complexities of working with area based grant still not properly developed; currently some £20m of grant funding in this place with a proposal that this will increase to in excess of £50m from april2009, when the Supporting People main grant is added in. Risk of increased numbers and value of project related grants with no guarantees of funding for the longer term. Lack of certainty about government's intentions on funding from April 2009.</p> | <p>Revenue cost implications of Capital projects and discrete projects as they move into mainstream. Use of bid and hypothecated funding with no pre-defined exit strategy Although there are agreements to allow current services to use these grants this may not always be the case No guarantee of hypothecated funding after 2011 Excess inflation and increases in utilities and fuel costs Market Failure Future funding of social care given the current Govt. intervention into the financial markets – future knock on effects of a recession.</p> | <p>Ability to protect future funding.</p> | <p>SMT</p> | <p>Maintain 3 Star Status. Robust financial monitoring systems Negotiations with Central Government. Capital Strategy in place and linking to Business Planning. Private/Public partnership Team Capital planning workshops and streamlining of bidding processes that clearly match proposals to service needs. Working with ADASS on challenging method of funding & other work (proxy indicators etc). Kent Agreement 2 New LAA Arrangements – need to monitor closely JSNA demonstrating future need. Engagement with National lobbying work (primarily through the PSS expenditure group) Managing Director now a full member of the Public Service Board</p> | | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 9 | I = 3 L = 3 Score = 9 | Continuity Arrangements. Responsiveness of Directorate in a major Emergency. | Major disaster. Impact of terrorist incident – e.g. during Olympic games Pandemic / illness. Dependence on systems/ providers outside of KCC | Systems in place to offset event and / or mitigate impacts. | SMT | Emergency planning. Continuity Plans for all units. Throughout all levels of Directorate culture and experience of working and responding to crisis. Good partnership working arrangements at all levels. Crisis / Emergency training. Experience of dealing with emergencies. Strong management / leadership structure. SMT as owner of Directorate's Emergency and Business Continuity Plans Dedicated Emergency Planning officer within Directorate | Working group set up to explore the plan for pandemic flu impacts in greater depth | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 10 | I = 4 L = 3 Score = 12 | Information Technology. The complete overhaul of our current information technology systems – ongoing system development | <p>SWIFT is vital to keep the Directorate in control of management information activity and spend. It is the largest project of its kind in the Country.</p> <p>Implementation issues such as client billing and payments to providers.</p> <p>Data quality issues.</p> <p>Long term relationship with ANITE public sector.</p> <p>Capacity to sustain / support major changes (modernisation)</p> <p>Ensuring that systems to operate effectively</p> <p>Data Quality</p> <p>Information governance.</p> <p>Given all of the national publicity of people leaving laptops on trains etc,</p> <p>The highly sensitive nature of the data we are responsible for and use. As we are moving towards an increasingly mobile workforce the national publicity around sensitive data being lost due to the displacement of technological devices such as laptops.</p> | Robust system with high reliance on quality of data Capacity for further development to meet future needs | SMT | <p>SMT monitoring closely and have taken on the role of programme board.</p> <p>Major implementation programme. Involving front line staff / managers etc. Steering Group.</p> <p>Prince 2 Project methodology.</p> <p>Experienced project team focusing solely on the renewal project.</p> <p>Working closely with other SWIFT user Councils – e.g. Hampshire, Essex.</p> <p>Experienced knowledgeable staff group within project.</p> <p>Good interconnections between users and SRP Team – which is an integral part of project plan.</p> <p>Data quality plan</p> <p>Closely monitored Risk Register within project – which is periodically reviewed by SMT & Corporate Board</p> <p>Regular discussion / update on SRP at DRMG.</p> <p>Governance arrangements of Programme Board for strategic issues, and Operations Board overseeing the detail.</p> <p>Strong Partnership working with ISG</p> | | |

| No | Rank | Source | Event / Risk | Planned Outcome | Accountable Manager | Existing controls | New tasks / action plans | Date |
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| 11 | I 3 L 3 Score 9 | Protecting vulnerable adults. The Managing Director has a wider responsibility enshrined in legislation to promote the welfare of all adults and this includes protection and safeguarding them from deliberate harm. Should these situations not be managed appropriately they could have dramatic consequences for the person(s) involved and a knock on effect to the Agencies involved. Deprivation of Liberty Safeguards (DoLs) | Person in a residential unit or in the community being subject to abuse or neglect Personalisation and choice although leading to better outcomes for people generally – necessitate more risk taking. Duties under the Mental Capacity Act A further dimension is where the wider community can be put at risk, for example, the issues arising from the Michael Stone inquiry. Uncertainty about the volume of referrals/assessments that would be generated. capacity to timely respond to the above given the uncertainty and Partnership issues around 'Best Interest Assessors' and availability of doctors trained to undertake section 12 (MHA) and DoL assessments areas that the NHS lead responsibility. | A level of protection offered to vulnerable adults without stifling, independence & choice of the individuals concerned | SMT | <ul style="list-style-type: none"> Safeguards Board / Committee – Kent & Medway have sophisticated systems in place. Training – extensive training is in place Multi agency approach to Safeguarding Multi-Agency Public Protection Arrangements Care management arrangements – SDS arrangements being implemented Audits of cases to ensure Quality Integrated Mental Health Trust CSCI Inspection programmes & action plans related to this Advocacy <p>Complaints process /Kent Health Watch Mental Capacity Act Arrangements</p> | | |

By: Charles Findlay - Chairman of Governance & Audit Committee
Lynda McMullan - Director of Finance
To: Governance and Audit Committee
9 February 2009
Subject: **AN ANTI-FRAUD STRATEGY FOR KCC**
Classification: Unrestricted
File Ref: AMG/AC/290705

Summary: This report presents a proposal for an anti-fraud strategy to be promoted within the Council.

FOR APPROVAL

Introduction

1. Local authorities should operate in environments that do not tolerate fraud or corruption. To achieve this, all members and managers, supported by Internal Audit and Personnel & Development, must promote a culture in which employees believe that dishonest acts will be detected and investigated.
2. It is vital to ensure that members and staff at all levels are fully aware of their responsibilities and how to discharge them. The Anti-fraud Strategy attached at Appendix 1 to this report builds on the initial strategy paper dated 29 July 2005 and subsequent launch, providing a further step towards achieving an effective counter-fraud culture in KCC.

The Anti-Fraud Strategy Document

3. The document details the Council's counter-fraud strategy. It outlines:
 - The Council's commitment to maintaining an anti-fraud and anti-corruption culture, and the respective roles of individuals within this;
 - The mechanisms in place corporately to prevent, detect and investigate fraudulent, corrupt and money-laundering activities;
 - Procedures and avenues to pursue for further guidance
4. The Strategy is drafted into the following sections, which are identified as relevant to specific groups of employees:
 - Anti-Fraud and Corruption Statement of Policy
 - Whistleblowing Procedure
 - Money Laundering Policy and Guidance Note
 - Fraud Response Plan for Managers

- Irregularity Investigation Procedures
5. The training programme for officers and Members will continue and will be relaunched after the County Council elections in 2009 for new Members. . This explains the Strategy and advises on its implementation. In addition, the Strategy will continue to be regularly reviewed to ensure its effectiveness. Once approved arrangements will be made to raise awareness of the strategy both to staff and members via Knet and Internal Audit's 'Irregular Happenings' publication and the Council's suppliers and contractors via the KCC website.

Recommendation

6. Members are asked to endorse the promotion of a counter-fraud culture within the Council, and approve the Anti-Fraud Strategy at Appendix 1.

Janet Dawson
Head of Audit and Risk
Ext: 4614
9 February 2009

Kent County Council

Anti-Fraud Strategy

February 2009 (draft)

FOREWORD

Introduction

Fraud can be defined as “a deception deliberately practised to secure unfair or unlawful gain”. It is not restricted to monetary or material benefits, but covers other areas such as the obtaining of status, or access to information by dishonest means and for dishonest purposes.

Responsibilities for Implementation of this Strategy

The Chief Executive accepts ultimate responsibility for the prevention and detection of fraud, the Director of Finance being responsible for developing, reviewing and maintaining an anti-fraud and corruption policy and for advising on effective systems of internal control to prevent fraud and corruption.

The Chief Executive and Managing Directors are responsible for ensuring compliance with the Anti-fraud and Corruption Policy and with systems of internal control, supported by the Council’s Internal Audit and Personnel & Development functions.

All managers must share responsibility for the prevention and detection of fraud. It is their responsibility, with the support of relevant services within the Council, to ensure that there are mechanisms in place within their area of control to:

- Assess the risk of fraud
- Promote employee awareness
- Educate employees about fraud prevention and detection.

The associated policies and agreements at Kent County Council for the prevention, detection, management and reporting of fraud and corrupt conduct are contained in several documents, including (but not limited to):

- The Council’s Code of Conduct for employees
- The People Management Handbook
- The Whistle-blowing Procedure

Environment and Culture

All managers, supported by Internal Audit and Personnel & Development, must promote an environment in which employees believe that dishonest acts will be detected and investigated. To this end, they must:

- Participate in in-house training programs covering fraud, fraud detection and fraud prevention
- Ensure staff understand that internal controls are designed and intended to prevent and detect fraud
- Encourage staff to report suspected fraud or money laundering activities directly to those responsible for the investigation without fear of disclosure or retribution (*see Whistleblowing Procedure*)

The Anti-Fraud Strategy Document

This document details the Council's Anti-Fraud Strategy. It outlines:

- The Council's commitment to maintaining an anti-fraud and corruption culture, and the respective roles of individuals within this
- The mechanisms in place corporately to prevent, detect and investigate fraudulent and corrupt activities
- Avenues to pursue for further guidance

It is also vital to any public sector body to ensure that staff at all levels are fully aware of their responsibilities and of how to discharge them. A complete set of framework documents includes a wide range of information, some of it highly technical, not all of which is relevant to every employee. For these reasons it is better to have a number of smaller, targeted documents than one large all encompassing one.

Accordingly, this Anti-Fraud Strategy has been drafted into the following sections and documents, and identified as being relevant to specific groups of employees:

- **Corporate Anti-Fraud and Corruption Statement of Policy**
To be made available to all employees via KNet
- **Whistleblowing Procedure**
To be made available to all employees via KNet and promotional campaign
- **Money Laundering Policy and Guidance Note**
To be made available to all employees via KNet and promotional campaign
- **Fraud Response Plan for Managers**
To be provided to all Chief Officers and Managers,
- **Irregularity Investigation Procedures**
To be maintained and controlled by the Council's Internal Audit Section

Each document will identify if it should be linked to or considered in conjunction with any other corporate document, for example the Code of Conduct for employees or Financial Regulations.

A training programme will be instituted for staff and Members, to explain the strategy and advise on its implementation. In addition, the strategy will be regularly reviewed to ensure its effectiveness. Copies of the strategy will be widely distributed and available on KNet.

Life and Development of this Strategy

Because the nature of fraud is constantly changing, consequently policy and, in particular, procedures need to be constantly updated and altered to take account of changes in legislation, investigative techniques and the complexity of frauds uncovered. It is foreseen, therefore, that once this Strategy has been ratified, the need will exist to update its contents on a regular basis.

Conclusion

The Council is committed to the development of an anti-fraud culture, and will not tolerate fraud or corruption in any capacity.

Fraud or corruption, where it is detected, will be dealt with promptly, investigated fairly, and where appropriate, prosecuted to the fullest extent that the law allows. This document seeks to state the Council's position and intent regarding all fraud and corruption matters that may affect the Council.

Lynda McMullan
Director of Finance
February 2009

Contents

- I Anti-Fraud and Corruption Statement of Policy
- II Whistleblowing Procedure
- III Anti-Money Laundering Policy
- IV Anti-Money Laundering Guidance Note
- VI Fraud Response Plan for Managers
- VII Irregularity Investigation Plan (Including Policy on Surveillance)

Kent County Council

Anti-Fraud Corruption Statement of Policy

February 2009 (draft)

Introduction

The purpose of this policy statement is to set out the Council's commitment to the highest standards of propriety in the delivery of its services ensuring proper stewardship of funds.

Kent County Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside KCC or external to it. KCC is therefore committed to an effective Anti-Fraud & Corruption Policy.

Kent County Council is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and will ensure probity in local administration and governance by taking positive action against all forms of fraud and corruption. It will use resources in partnership with relevant external agencies to reduce and eliminate fraud and corruption, which deprives services of much needed resources.

Expectations

Kent County Council expects:

- Members and staff to lead through example by acting with integrity at all times and ensuring adherence to legal requirements, rules, procedures and good practice;
- All individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact, will act with integrity in all dealings with the Council;
- Members and staff to report suspected fraud, corruption or other irregularity to the Senior Audit Manager in accordance with Financial Regulations, Whistleblowing Procedure and Fraud Response guidelines;
- Senior managers to deal swiftly and firmly with those who defraud KCC or who are corrupt.

Responsibilities

Managing Directors and their managers must ensure that all staff have access to the relevant Codes of Conduct, rules and regulations and that staff receive suitable training.

Members and employees must ensure that they read and understand the Codes of Conduct, rules and regulations that apply to them and act in accordance with them. In particular, members and staff must be aware of the need to make appropriate disclosures of gifts, hospitality and pecuniary interests.

Managing Directors and their managers must ensure that adequate levels of internal checks are included in working procedures, particularly financial procedures. It is important that duties are organised in such a way that no one person can carry out a complete transaction without some form of checking or intervention process being built into the system (see Financial Regulations on Internal Controls).

Internal Audit is responsible for the independent appraisal of control systems and for assisting managers in the investigation of irregularities, including the investigation of allegations of fraud or corruption.

The Council is committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, the Council will assist, and exchange information with, other appropriate bodies to facilitate the investigation of and to combat fraud. The Council's Internal Audit Section will co-ordinate assistance and exchange of information.

Detection and investigation

Where fraud or corruption is found or suspected Kent County Council will:

- Consider cases on their merits and investigate appropriately;
- Investigate using guidelines based on best practice and relevant legislation and with the utmost propriety;
- Institute disciplinary action or refer to the Police where appropriate;
- Seek compensation and costs as appropriate when public funds have been defrauded.

The Council's Whistleblowing Procedure is intended to encourage and enable staff to raise serious concerns. Employees reporting concerns this way are afforded certain rights and protection through legislation enacted under the Public Interest Disclosure Act 1998

The Council will do its best, but cannot guarantee, to protect the identity of an individual who raises a concern and does not want their name to be disclosed.

Lynda McMullan
Director of Finance
February 2009

Whistleblowing Procedure

Issued by Personnel & Development

February 2009 (draft)

Introduction

KCC is committed to the highest possible standards of openness, probity and accountability and we encourage employees and others working with us to raise any concerns about any aspect of our work to come forward and voice those concerns. In some instances, concerns may need to be expressed on a confidential basis.

This procedure encourages employees to raise serious concerns, without fear of reprisal or victimisation, internally within KCC rather than over-looking a problem or raising the matter outside.

It applies to all employees, agency workers and those contractors working on KCC premises, for example, cleaners, builders and drivers. It also covers suppliers and those providing services under a contract with KCC in their own premises.

Other Complaints Procedures

This procedure is separate from KCC's Complaints Procedures and other statutory reporting procedures applying to some directorates. Managers are responsible for making service users aware of these procedures.

Any investigation into allegations of potential malpractice under this procedure will not influence or be influenced by any disciplinary or redundancy procedures that already affects an individual.

Aim & Scope

This procedure aims to ensure individuals are:

- encouraged to feel confident in raising serious concerns and to question and act upon concerns about practice
- provided with avenues to raise concerns and receive feedback on any action taken
- given a response to their concerns and are aware of how to pursue them if not satisfied.
- reassured that they will be protected from reprisals or victimisation if they have a reasonable belief any disclosure has been made in good faith.

There are existing procedures in place to enable individuals to lodge a grievance relating to their own employment including issues relating to harassment and bullying. This procedure is intended to cover concerns that fall outside the scope of other procedures.

Whistleblowing Procedure

Issued by Personnel & Development

February 2009 (draft)

These include:

- conduct which is, has been or is likely to be an offence or breach of law
- conduct that has occurred, is occurring or is likely occur the result of which KCC fails to comply with a legal obligation. For example unauthorised use of public funds, possible fraud and corruption, sexual or physical abuse of clients, or other unethical conduct discrimination of any kind and waste/frivolous expenditure
- disclosures related past, current or likely miscarriages of justice
- past, current or likely health and safety risks, including risks to the public as well as other employees (see below)
- past, current or likely damage to the environment

Concerns about any aspect of service provision or the conduct of officers or KCC Members or others acting on behalf of the KCC, can be reported under the Confidential Disclosure Procedure. This may be about something that you:

- feel uncomfortable about in terms of known standards, your experience or the standards they believe KCC subscribes to: or
- is against the KCC's Standing Orders and policies; or
- falls below established standards of practice; or
- amounts to improper conduct .

KCC's Safety Complaints Procedure should be used to raise any issues, concerns or complaints of a health and safety nature and which are not confidential.

Confidentiality

All concerns raised will be treated in confidence and every effort will be made not to reveal your identity if this is your wish. However, in certain cases, it may not be possible to maintain confidentiality if you are required to come forward as a witness.

Anonymous Allegations

Whenever possible you should put your name to your allegation as concerns expressed anonymously are much less powerful than those that are attributed to a named individual. However anonymous allegations will be considered and investigated at KCC's discretion.

In exercising the discretion, the factors to be taken into account would include:

- the seriousness of the issues raised
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

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Issued by Personnel & Development

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Untrue Allegations

If you make an allegation in good faith that is not subsequently confirmed by an investigation, no action will be taken. Disciplinary action will only be taken against individuals who knowingly make false, malicious or vexatious allegations.

How To Raise A Concern

General

Concerns can be raised verbally or in writing. A concern raised in writing should:

- should set out the background and history of the concern, giving names, dates and places where possible
- the reason why you are particularly concerned about the situation.

The earlier a concern is raised the easier it is to take action. Although you are not expected to prove beyond doubt the truth of an allegation, you need to demonstrate to the person contacted that there are sufficient grounds for your concern.

A trade union or professional association may raise a matter on behalf of an employee. **Step One – Raising a Concern** Whenever possible you should raise your concern with your immediate manager or his/her manager. If this is not appropriate, you should approach the following according to the nature of the concern:

| Directorate | Contact Name | Email |
|-------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive's Department | Geoff Wild | geoff.wild@kent.gov.uk 01622 694302 |
| Environment & regeneration | Alan Loft | alan.loft@kent.gov.uk 01622 221955 |
| Children, Families & Education | Grahame Ward And another contact – to be confirmed | grahame.ward@kent.gov.uk 01622 696551 |
| Kent Adult Social Services | Lynda Longhurst (KASS HQ) Hilary Francomb (West Kent) To be confirmed (East Kent) | lynda.longhurst@kent.gov.uk 01622 694875 hilary.francomb@kent.gov.uk 01732 325188 |
| Communities | Judy Edwards | judy.edwards@kent.gov.uk 01622 694176 |
| Senior Management contact points | Peter Gilroy (Chief Executive) Janet Armstrong Senior Audit Manager | peter.gilroy@kent.gov.uk 01622 694000 janet.armstrong@kent.gov.uk 01622 694567 |
| Independent Helpline | PUBLIC CONCERN AT WORK | 020 7040 6609 |

Whistleblowing Procedure

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KCC has an **Anti Fraud and Corruption Policy Statement** and all suspected financial irregularities must be reported to the Senior Audit Manager.

Step Two - How KCC will respond

The action KCC takes will depend on the nature of the concern. The matters raised may:

- be investigated internally by management, Internal Audit or through the disciplinary or other internal process
- be referred to the Police
- be referred to the External Auditor
- form the subject of an independent inquiry.

In order to protect individuals and KCC, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (e.g., child protection or discrimination issues) will normally be referred for consideration under those procedures.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

Within ten working days, the responsible person (who is the responsible person? This has not been defined earlier in this document) will write to you:

- acknowledging that the concern has been received
- indicating how KCC proposes to deal with the matter
- giving an estimate of how long it will take to provide a final response
- informing you if any initial enquiries have been made
- whether further investigations will take place and, if not, why not

Contact

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought.

Attending Meetings

When any meeting is arranged you have the right to be accompanied by a trade union representative or a workplace colleague who is not involved in the area of work to which the concern relates.

Support

KCC will take steps to minimise any difficulties you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, KCC will advise or arrange for you to have advice about the procedure.

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KCC will not tolerate harassment or victimisation (including informal pressures) and will take action to protect individuals who raise a concern in good faith.

KCC accepts that you need to be assured that concerns will be properly addressed and, subject to legal constraints, will provide information about the outcomes of any investigations.

How The Matter Can Be Taken Further

This procedure is intended to provide individuals with an avenue to raise concerns within KCC. If you are not satisfied, and feel it is right to take the matter further, the following are possible contact points:

- Public Concern at Work 020 7404 6609
- Audit Commission 020 7630 1019
- a local Kent County Council member
- relevant professional bodies or regulatory organisations
- a solicitor
- the Police

If a matter is taken outside KCC, you must take all reasonable steps to ensure that confidential or privileged information is not disclosed. If in doubt, check with the named KCC contacts.

Public Interest Disclosure

Public Interest Disclosure Act 1998 gives employees two safeguards in respect of disclosures of information.

- An employee is entitled not be subjected to any detriment by virtue of having made a protected disclosure.
- The dismissal of any KCC employee directly due to the individual having made such a disclosure will automatically be unfair.

Anti - Money Laundering Policy

February 2009 (draft)

Introduction

Money laundering is defined under the Proceeds of Crime Act (POCA) 2002, and involves possession, or in any way dealing with, or concealing the proceeds of *any* crime, no matter how small. It also involves similar activities defined by the Terrorism Act 2000, relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.

Any person involved in a known, or suspected, money-laundering activity in the UK risks a criminal conviction carrying a jail term of up to fourteen years. The offences apply to all persons in a personal or professional capacity. Such acts are not offences if the person makes an 'authorised disclosure' to a police constable, customs officer or officer nominated as the Money Laundering Reporting Officer (MLRO) by the employer.

This policy sets out the procedure to minimise the risk that County Council services will be used in money laundering, and to protect employees from the risk of prosecution in the event that they become aware of money laundering activity during the course of their work.

Legal Framework

1. Financial Action Task Force
2. European Union Directives
3. Proceeds of Crime Act (2002)
4. Terrorism Act (2000)
5. Money Laundering Regulations (2007).

Scope of the policy

This Policy applies to all employees of the Council and aims to ensure that Kent County Council does all that it can to prevent the organisation and its staff being exposed to money laundering, to identify potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

Further information is set out in the accompanying Guidance Note. Both the Policy and the Guidance Note sit alongside and are entirely consistent with the Council's Anti Fraud Strategy, which also includes the Whistleblowing Procedure and Anti-Fraud and Corruption Policy Statement.

What is money laundering?

Money laundering is the term used for a number of offences involving the proceeds of crime or terrorist funds. The following acts constitute money laundering:

- concealing, disguising, converting, transferring or removing criminal property from the UK (section 327 of the 2002 Act); or
- entering into or becoming concerned in an arrangement, which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328); or
- acquiring, using or possessing criminal property (section 329); or
- becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorist Act 2000).

Anti - Money Laundering Policy

February 2009 (draft)

These are the primary money laundering offences punishable by up to 14 years imprisonment.

Although the term 'money laundering' is generally used when describing the activities of organised crime (for which the legislation and regulations were first introduced) to most people who are likely to come across it, it involves a suspicion that someone they know of is benefiting financially from dishonest activities.

'Criminal property' is defined very widely in the law relating to money laundering. It includes not only the proceeds of crime committed by somebody else, but also possession of the proceeds of an individual's own crime – for example, the retention of monies from non-payment of income tax. It does not matter how small the amount of money involved is. It also includes the proceeds of crimes that take place abroad. The Guidance Note gives practical examples and describes how to raise any concerns.

The obligations on the Council

Kent County Council has accepted the responsibility of ensuring that staff who are most likely to be exposed to, or suspicious of, money laundering situations can make themselves fully aware of the law and, where necessary, are suitably trained.

The organisation has also implemented procedures for reporting suspicious transactions and if necessary, making an appropriate report to the National Criminal Intelligence Service (NCIS).

The organisation has set up arrangements to help forestall and prevent money laundering. In addition to policies and procedures already in place for the prevention and detection of fraud, this includes formal procedures for evidencing the identity of parties with whom the Council interacts 'by way of business' for services that could be deemed to be 'relevant'.

Staff awareness and training

It is not considered necessary for all staff to have a detailed knowledge of what constitutes criminal offences under the POCA, but those most likely to encounter money laundering should be aware of procedures that are in place to help forestall and prevent money laundering, and of their personal responsibilities and possible liabilities as individuals. The Guidance Note provides sufficient detail to raise awareness in most staff.

For the Council's activities that could be vulnerable to money laundering, it is recommended that staff involved should be given specific, more targeted training.

The following activities could be deemed to be 'relevant':

- The provision 'by way of business' of advice about tax affairs
- The provision 'by way of business' of accountancy services
- The provision 'by way of business' of audit services

The provision 'by way of business' of legal services which involves participation in a financial or real property transaction

- The provision 'by way of business' of services which involve the formation, operation or management of a company or trust

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- The activity of dealing in goods of any description 'by way of business' whenever a transaction involves accepting a total cash payment of 15,000 euros (approximately £10,000) or more.
- The activity of dealing in and managing investments 'by way of business'.

Disclosure procedure

Kent County Council has nominated the following officers to be responsible for antimoney laundering measures within the organisation:

Money Laundering Reporting Officer (MLRO): Lynda McMullan, Director of Finance 01622 694550

Deputy MLRO: Janet Armstrong, Senior Audit Manager 01622 694567.

Every known or suspected situation where money laundering activity is taking or has taken place, or concern that an employee's involvement in a matter may amount to a prohibited act under the legislation, must be disclosed as soon as practicable to the MLRO. **Failure to do so, could lead to prosecution of the individual.**

Disclosure should be made to the MLRO, either verbally, or using the pro-forma report attached to the Guidance Notes.

Once the matter is reported to the MLRO, employees must not make any further enquiries into the matter without instruction from the MLRO. All members of staff will be required to co-operate with the MLRO and other authorities during any subsequent investigation.

Where the MLRO concludes a disclosure is necessary, then it must be disclosed as soon as practicable to NCIS on their standard report form and in the prescribed manner. Where consent is required from NCIS for a transaction to proceed, then the transaction in question must not be undertaken or completed until NCIS has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from NCIS.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then this must be recorded on the report and consent given in writing for any ongoing or imminent transaction(s) to proceed without disclosure.

The MLRO commits a criminal offence if he knows or suspects money laundering is taking place as a result of a disclosure being made and does not subsequently disclose this as soon as practicable to NCIS.

Client identification procedure

Where the Council is carrying out business that could be deemed to be 'relevant' (e.g. accountancy, audit and certain legal services) and:

- forms an ongoing business relationship with a client; or
- undertakes a one-off transaction involving payment by or to the client of 15,000 euros (approximately £10,000) or more; or
- undertakes a series of linked one-off transactions involving total payment by or to the client(s) of 15,000 euros or more; or

Anti - Money Laundering Policy

February 2009 (draft)

- it is known or suspected that a one-off transaction (or a series of them) involves money laundering;

then the Client Identification Procedure must be followed before any business is undertaken. This Procedure is restricted to those operating 'relevant business' only (see *Staff awareness and training*).

In the above circumstances, staff in the relevant area of the Council must obtain satisfactory evidence of the identity of the prospective customer/client as soon as practicable after instructions are received (unless evidence of the client has already been obtained). This applies to existing clients, as well as new ones, but identification evidence is not required for matters entered into prior to *ddmmyy (date to be agreed)*. In all cases, the evidence should be retained for at least five years from the end of the business relationship or transaction(s). If satisfactory evidence of identity is not obtained then the business relationship or one off transaction(s) cannot proceed any further.

Conclusion

This Policy has been written to enable Kent County Council to embrace the underlying principles behind money laundering legislation and regulations in a way that is appropriate and proportionate to the Council's exposure to the risk of contravening the legislation.

Lynda McMullan
Director of Finance
February 2009

Anti-Money Laundering Guidance Note

February 2009 (draft)

Purpose

These notes are important. They are designed to help you familiarise yourself with the legal and regulatory requirements relating to money laundering, as they affect KCC and you personally.

What is money laundering?

Money laundering is the term used for a number of offences involving proceeds of crime or terrorist funds. The term now goes beyond the transformation of the proceeds of crime into apparently legitimate money or assets; it also covers a range of activities, which do not necessarily need to involve money. It is defined as any act constituting:

- an offence under sections 327 to 329 of the Proceeds of Crime Act 2002 i.e.: concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327); or
- entering into or becoming concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328); or
- acquiring, using or possessing criminal property (unless there was adequate consideration) (section 329);
- an attempt, conspiracy or incitement to commit such an offence; or
- aiding, abetting, counselling or procuring such an offence; and
- an offence under section 18 of the Terrorist Act 2000, namely becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property.

“Criminal property” is widely defined as a person’s benefit from criminal conduct. It includes all property, real or personal (situated in the UK or abroad), including money, and also includes an interest in land or a right in relation to property other than land. It does not matter how small the value of the benefit is.

“Terrorist property” means money or other property that is likely to be used for the purposes of terrorism, proceeds of the commission of acts of terrorism, and acts carried out for the purposes of terrorism.

The broad definition of money laundering means that potentially anybody (and therefore any Council employee, irrespective of what sort of Council business they are undertaking) could contravene the money laundering offences if they become aware of, or suspect the existence of criminal or terrorist property, and continue to be involved in the matter without reporting their concerns.

What legislation exists to control money laundering?

In recent years, new laws have been passed which shift the burden for identifying acts of money laundering away from government agencies and more towards organisations and their employees. The main obligations are contained in the Proceeds of Crime Act 2002 (POCA) and the Money Laundering Regulations 2007, which broaden the definition of money laundering and increase the range of activities caught by the statutory control framework. In particular, the duty to report suspicions of money laundering is strengthened and criminal sanctions can be imposed for failure to do so.

What are the main money laundering offences?

There are three principal offences – concealing, arranging and acquisition/use/possession.

Concealing is where someone knows or suspects a case of money laundering, but conceals or disguises its existence. **Arranging** is where someone involves himself or herself in an arrangement to assist in money laundering. **Acquisition** is where someone seeks to benefit from money laundering by acquiring, using or possessing the property concerned.

There are also two ‘third party’ offences – failure to disclose one of the three principal offences, and ‘tipping off’. **Tipping off** is where someone informs a person or people who are, or are suspected of being, involved in money laundering, in such a way as to reduce the likelihood of their being investigated, or prejudicing an investigation.

All the money laundering offences may be committed by an organisation or by the individuals working for it.

Whilst it is considered most unlikely that a member of staff would commit one of the three principle offences, the failure to disclose a suspicion is a serious offence in itself, and there are only very limited grounds in law for not reporting a suspicion.

Whilst stressing the importance of reporting your suspicions, you should understand that failure to do so is only an offence if your suspicion relates, in the event, to an actual crime.

What are the penalties?

The consequences for staff of committing an offence are potentially very serious. Money laundering offences may be tried at a magistrate’s court or in the Crown Court, depending on the severity of the suspected offence. Trials at the former can attract fines of up to £5,000, up to six months in prison or both. In a Crown Court, fines are unlimited, and sentences from two to 14 years may be handed out.

What is KCC’s policy on money laundering?

There is no statutory requirement on the County Council to adopt a Money Laundering Policy or appoint a Money Laundering Reporting Officer, however, there is a statutory duty on the organisation and on individuals to disclose suspicions that may arise during the course of normal business.

Our policy is to do all we can to prevent, wherever possible, the Council and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. It is every member of staff’s responsibility to be vigilant.

KCC has accepted the responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained. Procedures have also been implemented for reporting suspicious transactions and, if necessary, making an appropriate report to the National Criminal Intelligence Service (NCIS).

The organisation has nominated the following officers to be responsible for anti-money laundering measures within the organisation:

Money Laundering Reporting Officer (MLRO): Lynda McMullan Director (Resources) 01622 694550

Deputy MLRO: Janet Armstrong, Senior Audit Manager 01622 694567

In addition, areas of the Council's business that could be deemed to be 'relevant' are required to obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken, and report suspicions to the MLRO.

Relevant business is defined with reference to the nature of the activities undertaken rather than referring to organisations as a whole. Some of the Council's business could be classed as "relevant" for the purposes of the legislation:

- the provision, by way of business, of advice about the tax affairs of another person by a body corporate,
- the provision, by way of business, of accountancy services by a body corporate,
- the provision, by way of business, of audit services,
- the provision, by way of business, of legal services by a body corporate which involves participation in a financial or real property transaction (whether by assisting in the planning or execution of any such transaction or otherwise by acting for, or on behalf of, a client in any such transaction),
- the provision, by way of business, of services in relation to the formation, operation or management of a company or a trust,
- The activity of dealing in goods of any description, by way of business, whenever a transaction involves accepting a total cash payment of 15,000 euros (approximately £10,000) or more.
- The activity of dealing in and managing investments 'by way of business'.

What should I do if I suspect a case of money laundering?

Where you know or suspect that money laundering activity is taking or has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO or Deputy MLRO named above. **Should you not do so, then you may be liable to prosecution.**

Your disclosure should be made to the MLRO using the form attached at Appendix 1 or, if you prefer, in a discussion. Your report must include as much detail as possible including:

- Full details of the people involved e.g. name, date of birth, address, company names, directorships, phone numbers, etc;
- Full details of the nature of their and your own involvement:
 - If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327 to 329 of the 2002 Act, then your report must include all relevant details, as you will need consent from the National Criminal Intelligence Service (NCIS), via the MLRO, to take any further part in the transaction.

- You should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline;
- The types of money laundering activity involved. if possible, cite the section number(s) under which the report is being made e.g. a principal money laundering offence under the 2002 Act (or 2000 Act), or general reporting requirement under section 330 of the 2002 Act (or section 21A of the 2000 Act), or both;
- The dates of such activities, including whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Why, exactly, you are suspicious (as NCIS will require full reasons);

along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable the MLRO to prepare a report to NCIS as appropriate. You should also enclose copies of any relevant supporting documentation.

Once you have reported the matter to the MLRO you must follow any directions given to you. You **must not** make any further enquiries into the matter yourself. All members of staff will be required to co-operate with the MLRO and other authorities during any subsequent investigation.

Tipping Off Offences

Where you suspect money laundering and report it to the MLRO, be very careful what you say to others afterwards: you may commit a further offence of “tipping off” (section 333 of the 2002 Act) if, knowing a disclosure has been made, you say or do anything which is likely to prejudice any investigation that might be conducted. For example, a lawyer who reports his suspicions of a money laundering offence by a client to the MLRO, may commit a tipping off offence if he then reports his disclosure to that client. However, preliminary enquiries of a client to obtain more information (e.g. confirm their identity, clarify the source of funds) will not amount to tipping off, unless you know or suspect that a report has been made.

Even if you have not reported the matter to the MLRO, if you know or suspect that such a disclosure has been made and you mention it to someone else, this could amount to a tipping off offence.

You must not, therefore, make any reference on a file to a report having been made to the MLRO because, should the client exercise their right to see the file under Data Protection or FOI Acts, such a note will obviously “tip them off” and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

Prejudicing an Investigation offence

If you know or suspect that an appropriate officer is, or is about to be, conducting a money laundering investigation and you make a disclosure to a third party that is likely to prejudice the investigation, then you commit an offence (section 342 of the 2002 Act). Any person found guilty of tipping off or prejudicing an investigation is liable to imprisonment (maximum 5 years), a fine or both. However, defences are

available for both such offences, for example:

- Where you did not know or suspect that the disclosure was likely to be prejudicial; or
- Where you are a professional legal adviser and the disclosure was:
 - to a client (or his representative) in connection with the giving of legal advice;
 - to any person in connection with legal proceedings (existing or contemplated);

but NOT where the information was given with the intention of furthering a criminal purpose.

What do I do if I am involved in an activity deemed to be ‘relevant’ business?

Money Laundering Regulations 2007 impose specific obligations on those carrying out relevant business, requiring them to:

- obtain sufficient knowledge to ascertain the true identity of clients, by maintaining client identification procedures;
- ensure evidence of identity obtained and details of transactions undertaken are held for at least 5 years.

Where the Council is carrying out relevant business (e.g. accountancy, audit and certain legal services) and:

- forms an ongoing business relationship with a client; or
- undertakes a one-off transaction involving payment by, or to, the client of 15,000 Euro (approximately £10,000) or more; or
- undertakes a series of linked one-off transactions involving total payment by or to the client(s) of 15,000 Euro (approximately £10,000) or more; or
- it is known or suspected that a one-off transaction (or a series of them) involves money laundering;

then the Client Identification Procedure should be followed before any business is undertaken with that client.

Where the client is acting or appears to be acting for someone else, reasonable steps must also be taken to establish the identity of that other person.

The law states that particular care must be taken when the client is not physically present when being identified; this is often likely to be the case for the Council.

Client Identification Procedure

Satisfactory evidence of identity establishes, to the satisfaction of the person receiving it, that the client is who they claim to be.

The Council's Client Identification Procedure requires basic identity checks for existing clients as follows:

- **internal clients:** signed, written instructions on Council headed notepaper or an email on the internal email system at the outset of the business relationship;
- **external clients:** signed, written instructions on the organisation in question's headed paper at the outset of the business relationship.

The reason for this low level Procedure is because the Council's risk of exposure to money laundering is assessed as low, so the procedure is considered appropriate to this perceived risk. The risk assessment takes account of regulations that restrict the extent to which services can be provided and the organisations with which the Council can contract.

The Client Identification Procedure should enable us to have confidence in accepting instructions from a known client. If, however, you are undertaking work for a new client, then you may also wish to seek additional evidence, for example:

- check the organisation's website to confirm the identity of personnel, its business address and any other details;
- meet the client at their business address;
- confirm that the organisation is included in the telephone directory;
- ask the key contact officer to provide evidence of personal identity and position within the organisation, for example:
 - passport, photo ID card, driving licence;
 - signed, written confirmation from the Head of Service or Chair of the relevant organisation that such person works for the organisation.

Record Keeping Procedure

Each unit of the Council conducting relevant business must maintain records of:

- client identification evidence obtained; and
- details of all relevant business transactions carried out for clients

for at least five years. This is so that they may be used as evidence in any subsequent investigation into money laundering by the authorities.

The precise nature of the records is not prescribed by law, however they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the business units of the Council will be routinely making records of work carried out for clients in the course of normal business and these should suffice in this regard.

How do I know whether money laundering is taking place?

There is no clear definition of what constitutes suspicion – common sense will be needed. Although you do not need to have actual evidence that money laundering is taking place, mere speculation or gossip is unlikely to be sufficient to give rise to knowledge or suspicion that it is. However, if you deliberately shut your mind to the obvious, this will not absolve you of your responsibilities under the legislation.

Example of Money Laundering Activity:

By way of example, consider the following hypothetical scenario:

A social worker is assessing a service user's finances to calculate how much he should pay towards the cost of care, and then goes on to arrange for services to be provided and charged for. In the course of this process the social worker becomes aware of, or suspects the existence of criminal property.

In this scenario the social worker may commit an offence under section 328 of POCA by “being concerned in an *arrangement*” which s/he knows/suspects “facilitates the acquisition, retention use or control of criminal property” if they do not report their concerns. Any lawyer involved could also be guilty of an offence if they assist in the transaction.

Possible Signs of Money Laundering:

It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report to the MLRO. The following are types of risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity:

General:

- A new client;
- A secretive client: e.g., refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, identity or location of a client;
- Illogical third party transactions: unnecessary routing or receipt of funds from third parties or through third party accounts;
- Involvement of an unconnected third party without logical reason or explanation;
- Payment of a substantial sum in cash (over £10,000);
- Overpayments by a client;
- Absence of an obvious legitimate source of the funds;
- Movement of funds overseas, particularly to a higher risk country or tax haven; Where, without reasonable explanation, the size, nature and frequency of transactions or instructions (or the size, location or type of a client) is out of line with normal expectations;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational;
- The cancellation or reversal of an earlier transaction;

- Requests for release of client account details other than in the normal course of business;
- Companies and trusts: extensive use of corporate structures and trusts in circumstances where the client's needs are inconsistent with the use of such structures;
- Poor business records or internal accounting controls;
- A previous transaction for the same client, which has been, or should have been, reported to the MLRO.

Property Matters:

- Unusual property investment transactions if there is no apparent investment purpose or rationale;
- Instructions to receive and pay out money where there is no linked substantive property transaction involved (surrogate banking);
- Funds received for property deposits or prior to completion from an unexpected source or where instructions are given for settlement funds to be paid to an unexpected destination.

Facts that tend to suggest that something odd is happening may be sufficient for a reasonable suspicion of money laundering to arise.

In short, the money laundering offences apply to your own actions and to matters in which you become involved. If you become aware that your involvement in a matter may amount to money laundering under the 2002 Act then you must discuss it or report it to the MLRO and not take any further action until you have received, through the MLRO, the consent of NCIS. For example, if you receive cash that you suspect is from the proceeds of crime, you must not bank it but set it aside securely until you receive an instruction from the MLRO on how to proceed.

What if I fail to report a suspicion?

If you are in any doubt as to whether or not to file a report with the MLRO then you should err on the side of caution and do so. **Remember**, failure to report may render you liable to prosecution (for which the maximum penalty is an unlimited fine, five years' imprisonment, or both). The MLRO will not refer the matter on to NCIS if there is no need.

You must still report your concerns, even if you believe someone else has already reported their suspicions of the same money laundering activity. Such reports to the MLRO will be protected in that they will be exempt from disclosures requested under the Freedom of Information Act.

There are various defences against non-disclosure, including:

- where you have a reasonable excuse for non disclosure (e.g. a lawyer may be able to claim legal professional privilege for not disclosing the information);
- where you did not know or suspect that money (or other criminal property) was being laundered and had not been provided with appropriate training by the Council. However, given the low risk to the Council of money laundering activity, this Guidance Note will provide sufficient training for most members of staff, although further guidance may be issued from time to time and targeted training provided to those staff more directly affected by the legislation.

Relevant Guidance

When considering any offence under the legislation, the Court will consider whether you followed any relevant guidance approved by the Treasury, a supervisory authority, or any other appropriate body, which includes, for example, the Law Society, the Financial Services Authority or a CCAB body.

What will the MLRO do?

When the MLRO receives a disclosure from a member of staff and concludes that there is actual money laundering taking place, or there are reasonable grounds to suspect so, then a report must be made as soon as practicable to NCIS on their standard report form and in the prescribed manner, unless there are reasonable grounds for nondisclosure. Where relevant, the MLRO will also need to request appropriate consent to proceed with the transaction from NCIS for any acts/transactions which would amount to prohibited acts under section 327 to 329 of the 2002 Act.

The MLRO may receive appropriate consent from NCIS in the following ways:

- specific consent;
- no refusal of consent during the notice period (seven working days starting with the first working day after the MLRO makes the disclosure); or
- refusal of consent during the notice period but the moratorium period has expired (31 days starting with the day on which the MLRO receives notice of refusal of consent).

The MLRO commits a criminal offence under section 331 of the 2002 Act if he knows or has reasonable grounds to suspect, through a disclosure having been made, that another person is engaged in money laundering, and this is not disclosed as soon as practicable to the NCIS.

Upon receipt of a disclosure report, the MLRO must note the date of receipt on the report, acknowledge receipt and advise the discloser of the timescale within which they can expect a response.

The MLRO will consider the report and any other available internal information he thinks relevant e.g.

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held.

The MLRO will undertake such other reasonable inquiries deemed appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCIS is required. Such enquiries should be made in such a way as to avoid any appearance of tipping off those involved. The MLRO may also need to discuss the report with you.

Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:

- there is actual or suspected money laundering taking place; or

- there are reasonable grounds to know or suspect that is the case; and
- whether he needs to seek consent from NCIS for a particular transaction to proceed.

There are a small number of exemptions for non-disclosure to the NCIS (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information) however, if in any doubt, always disclose.

Where the MLRO concludes that there are no grounds to suspect money laundering, or suspects money laundering but has a good reason for non-disclosure, then this must be noted on the report accordingly and consent given in writing for any ongoing or imminent transactions to proceed. The MLRO should consult with the Head of Legal Services before reaching a non-disclosure decision.

In cases where legal professional privilege may apply, the MLRO must liaise with the Head of Legal Services to decide whether there is a reasonable reason for not reporting the matter to NCIS.

Where consent is required from NCIS for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until NCIS has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from the NCIS.

All disclosure reports referred to the MLRO and reports subsequently made to NCIS must be retained by the MLRO in a confidential file kept securely for that purpose, for a minimum of five years.

Conclusion

Given the nature of the Council's services and for whom these services can be provided, instances of suspected money laundering are unlikely to arise very often, if at all. However, we must be mindful of the legislative requirements, as failure to comply with them may render individuals liable to prosecution.

Please take prompt and proper action if you have any suspicions and feel free to consult the MLRO at any time should you be concerned regarding a matter.

Lynda McMullan
Director of Finance
February 2009

Fraud Response Plan for Managers

February 2009 (draft)

Introduction

This Fraud Response Plan forms part of the Council's overall Anti-Fraud Strategy and covers the Council's response to suspected or apparent irregularities affecting resources belonging to or administered by the Council, or fraud perpetrated by contractors and suppliers against the Council.

It is important that Managers know what to do in the event of fraud, so that they can act without delay. The Fraud Response Plan for Managers provides such guidance to ensure effective and timely action is taken. Other documents that should be referred to when reading the Plan include:

- Officers' Code of Conduct (available on KNet as part of the KCC Constitution)
- Disciplinary procedure } (both available
- Financial Regulations } on KNet)

Objective of the Fraud Response Plan

To ensure that prompt and effective action can be taken to:

- prevent losses of funds of other assets where fraud has occurred and to maximise recovery of losses
- identify the perpetrator and maximise the success of any disciplinary or legal action taken
- reduce adverse impacts on the business of the Council
- minimise the occurrence of fraud by taking prompt action at the first sign of a problem
- minimise any adverse publicity for the organisation suffered as a result of fraud
- identify any lessons which can be acted upon in managing fraud in the future

The Manager's Role in Acting on Reported Suspected Fraud

Where it is appropriate to do so (where this can be done without alerting the perpetrator to the investigation, or staff involved have sufficient experience to do so) initial enquiries may be made to determine if there actually does appear to be an irregularity.

The purpose of the initial enquiry is to confirm or repudiate the suspicions that have arisen so that, if necessary, further investigation may be instigated.

During the initial enquiry, managers should:

- determine the factors that gave rise to the suspicion
- examine factors to determine whether a genuine mistake has been made or whether any irregularity has occurred (i.e. any incident or action that is not part of normal operation of the system or the expected course of events)
- where necessary, carry out discreet enquiries with staff and / or review documents.

If the results of the initial inquiry indicate that a more detailed investigation should be undertaken, managers should contact the Internal Audit Section.

Managers must inform Internal Audit of:

- all the evidence that they have gathered.
- the actions they have taken with regard to the employee (e.g. suspension or redeployment) or any other action taken to prevent further loss.

Internal Audit should be informed as soon as possible of all suspected or discovered fraud or corruption, in order that they may offer advice on any specific course of action that may be necessary.

Depending on the size of the fraud or the circumstances of its perpetration, the Senior Audit Manager will consider whether Internal Audit staff should undertake the investigation. If appropriate, advice and guidance will be provided to enable an investigation to be undertaken by the manager's own staff.

Internal Audit will review the outcome of the investigation (irrespective of whether undertaken by its own staff or directorate staff), to ensure that appropriate action is taken to help disclose similar frauds and make recommendations to strengthen control systems.

Senior managers are responsible for following up any allegation of fraud or corruption that they receive. They must also have regard to the above.

The respective Investigating Officer (either from the directorate or from Internal Audit) will:

- Deal promptly with the matter
- Record all evidence that has been received
- Ensure that evidence is sound and adequately supported
- Make secure all of the evidence that has been collected
- Where appropriate, contact other agencies
- When appropriate, arrange for the notification of the Council's insurers
- Report to senior management, and where appropriate, recommend that management take disciplinary action in accordance with the Council's Disciplinary Procedures.

Where circumstances merit, close liaison will take place between the Investigating Officer, the respective Directorate Resource Co-ordinator and Human Resources Advisor as appropriate.

Evidence

The best form of evidence is original documentation. Where it is not possible to obtain originals, for whatever reason, a copy will normally suffice. The copy should be clearly endorsed as a copy and if possible certified as a true copy of the original. This should preferably be certified by the person who took the copy from the original source document.

Interviews

Managers should not conduct any interviews with any suspect or potential witness without seeking advice beforehand from Internal Audit.

The matters under investigation may constitute criminal acts, and consequently any interview of potential suspects must be conducted and recorded under specific guidelines as detailed in the Police and Criminal Evidence Act 1984 (PACE). Criminal proceedings may be compromised by conducting interviews outside of the scope of PACE.

Normal practice will be that Internal Audit staff conduct and/or control any interview.

Police Liaison and Prosecution

Where there is evidence that a criminal act has taken place, any necessary Police liaison will be undertaken by Internal Audit staff.

A decision to prosecute as a result of the outcome of any investigation will not be made without:

- a full review of the case in consultation with the Senior Audit Manager, Legal Services and the Police or other Authority, as appropriate.
- the authority of the Director of Finance, the relevant Managing Director or suitably delegated person or board.

Definitions

Fraud

The intentional distortion of financial statements or other records by person or persons internal/external to the Authority which is carried out to conceal the misappropriation of assets or otherwise for gain.

Some potential indicators of fraudulent activity are (but be aware that not all circumstances where these signs are exhibited will necessarily constitute fraud, nor is this an exhaustive list):

- Employees who never take leave
- Employees who work outside normal working hours for no obvious reason
- Employees with serious personal financial problems
- Employees whose lifestyle is disproportionate to their income
- Unusual concerns about visits by senior managers and auditors
- Employees who often break rules or fail to comply with procedures
- Complaints about members of staff from customers or other employees
- Lack of effective internal control
- Undocumented activities

- Unexplained falls in income levels or increases in expenses
- Deliveries to other than official Council buildings
- General disregard by management and employees towards security

Corruption

The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person (e.g. may occur in connection with contracts or consultancy engagements).

Malpractice and wrongdoing is something which is unlawful, or against the Council's Standing Orders or policies and is not in accordance with established standards of practice, or amounts to improper conduct by an employee.

Potential examples would be:

- Breaches of statutory codes of practice
- Breaches of, or failure to, implement or comply with any policy determined by the Council or any of its Committees
- Actions which are likely to cause physical danger to persons, or give rise to a significant damage to property
- Failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the Council or would otherwise seriously prejudice the Council
- Abuse of power, or the use of the Council's powers and authority for any unauthorised or ulterior purpose
- Unfair discrimination in the Council's employment or services
- Dangerous procedures risking health and safety
- Other unethical conduct

The Council's Whistleblowing Procedure (also known as the Confidential Disclosure Policy, see Section II) provides avenues for those raising concerns and is intended to safeguard:

- Confidentiality
- Anonymity, if this is what the provider seeks
- Untrue Allegations
- Against harassment and bullying

Managers have additional responsibilities with regard to concerns raised by staff under the Whistleblowing Procedure, with particular regard to protecting the member of staff's identity, welfare and anonymity.

Raising Concerns

Employees (including Managers) wishing to raise concerns should refer to the Council's Whistleblowing Procedure. A copy of the Procedure can be obtained from KNet or Personnel & Development, or via a Trade Union Representative.

Suspected or apparent financial irregularities must be brought to the attention of the Senior Audit Manager in accordance with Financial Regulations. Where the irregularities relate to an elected Member, there should be an immediate notification to the Chief Executive or the Monitoring Officer.

If a member of the public suspects fraud or corruption they should contact the Chief Executive, Director of Finance or Senior Audit Manager in the first instance. They may also contact the Council's External Auditor, who may be contacted in confidence via the Council's main telephone switchboard.

The Council's Internal Audit Section can be contacted by telephone on 7000 4636 / 01622 694636 or by mail to Room 3.21, Sessions House, County Hall, Maidstone ME14 1XQ.

Lynda McMullan
Director of Finance
February 2009

Irregularity Investigation Procedure

(including policy on surveillance)

February 2009 (draft)

Irregularity Investigation Manual

The Irregularity Investigation Procedure is contained in the Irregularity Investigation Manual and is a separate controlled document for reasons of confidentiality and security.

The Irregularity Investigation Manual is controlled and kept updated by the Council's Internal Audit Section.

Surveillance

Since the introduction and implementation of the Regulation of Investigatory Powers Act 2000, the conduct of covert directed surveillance by Local Authorities is subject to strict guidelines and codes of conduct.

Surveillance will only be carried out following due authorisation in the prescribed manner, by operatives suitably trained for the task.

Surveillance Policy, Codes and Practices are contained within the Irregularity Investigation Manual.

Janet Dawson
Head of Audit and Risk
February 2009

By: Charles Findlay, Chairman Governance and Audit Committee
Geoff Wild, Director of Law and Governance

To: Governance and Audit Committee – 4th March 2009

Subject: DATA QUALITY AUDIT 2007/08

Classification: Unrestricted

Summary:

The report from the 2007/08 Data Quality audit has recently been received and an associated action plan has been drafted.

FOR DECISION

1. Introduction

1 Data quality and the strength of management arrangements to secure it within public bodies have been subject to increasing concern and focus by government, the Audit Commission and other regulators.

2 As part of the Audit Commission's Audit Code of Practice, Local Authorities are subject to an annual audit of the strength of management arrangements for securing data quality.

3 The Data Quality audit report for 2007/08 has recently been received and an action plan has been drafted.

2. The 2007/08 Data Quality Audit

4 The Audit Commission has recently provided KCC with a report on the audit of the council's management arrangements to secure data quality 2007/08. The report is attached in Appendix 1.

5 The overall finding was that the council's arrangements are consistently above minimum standards, which is a good rating.

6 Areas where the council should consider improvements were provided through a series of five recommendations.

7 Improvements in relation to the recommendations were found to be in hand in most cases although most of these were in the early stages of development and not consistently applied across all service directorates.

8 A number of recommendations were in relation to enhancing the role of councillors with respect to data quality. It is proposed that these recommendations be taken forward within the context of Policy Overview Committees, in order to engage members more fully with data quality issues.

3. Data Quality Action Plan

9 A summary of the recommendations and the associated action plan (the full detail is in Appendix 1 of the audit report) is shown below:

| Recommendation | Action |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| The role of all councillors should be specified in the data quality strategy. | Update to Policy |
| Councillors should have data quality training provided commensurate with their role in data quality. | To be addressed through Policy Overview Committees |
| That the Council at a strategic level formalises protocols and standards on data quality received from outside bodies to ensure that all data used by the Council is sound. | To be developed through the Kent Partnership |
| The Council should report on the effectiveness of the various levels of data quality training provided so that it can assure itself that any data quality gaps in staff are being met. | Review to be undertaken |
| Ensure that the profile of data quality is raised by reporting the results of spot-checks of data systems to councillors. | To be addressed through Policy Overview Committees |

4. Recommendation

10 Members are asked to APPROVE the action plan in the Appendix of the audit report, and consider that the Data Quality audit report be discussed at Policy Overview Committees.

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Data Quality

Kent County Council

Audit 2007/08

November 2008

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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Introduction

- 1 The purpose of this report is to summarise the findings from our work on data quality for 2007/08.
- 2 Auditors' work on data quality and performance information supports the Commission's reliance on performance indicators (PI) in its service assessments for comprehensive performance assessment (CPA).
- 3 Our work on data quality is complemented by the Audit Commission's paper, 'Improving information to support decision making: standards for better quality data'. This paper sets out standards, for adoption on a voluntary basis, to support improvement in data quality. The expected impact of the Audit Commission's work on data quality is that it will drive improvement in the quality of local government performance information, leading to greater confidence in the supporting data on which performance assessments are based.

Scope of our work

- 4 We have followed the Audit Commission's three-stage approach to the review of data quality as set out in Table 1.

Table 1 Data quality approach

| | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stage 1 | <p>Management arrangements</p> <p>A review using key lines of enquiry (KLOE) to determine whether proper corporate management arrangements for data quality are in place, and whether these are being applied in practice. The findings contribute to the auditor's conclusion under the Code of Audit Practice on the Council's arrangements to secure value for money (the VFM conclusion).</p> |
| Stage 2 | <p>Analytical review</p> <p>An analytical review of 2007/08 BVPI and non-BVPI data and selection of a sample for testing based on risk assessment.</p> |
| Stage 3 | <p>Data quality spot checks</p> <p>In-depth review of a sample of 2007/08 PIs all of which come from a list of specified BVPIs and non-BVPIs used in CPA, to determine whether arrangements to secure data quality are delivering accurate, timely and accessible information in practice. For 2007/08 PI spot checks, the Audit Commission specified that it is compulsory to review two housing benefits PIs at all single tier and district councils as a minimum.</p> |

- 5 As this is the third year of applying this approach to data quality, we tailored our work to focus on the key changes and actions taken to address previously identified weaknesses and recommendations.

Summary conclusions

Stage 1 – Management arrangements

- 6 The Council's overall management arrangements for ensuring data quality are consistently above minimum requirements.
- 7 There is a good balance between corporate oversight and delegation to services, where the responsibility rests for the accuracy of data quality, including in sensitive areas like child protection. There is now a data quality policy that has encoded good practice in the organisation, as well as an effective network of data quality champions who are responsible for each directorate's delivery of the corporate policy. Training is effective, and this includes corporate modules in general training but also bespoke training if a weakness has been detected in operational procedures. Performance management systems are effective and include examples of intervention to standardise data used across different agencies. On the other hand, the involvement of councillors in data quality is limited, with no mention of their role in the data quality policy and data quality training for councillors only planned at this stage. That restricts the data quality policy and procedures being fully embedded within the organisation. There is also the need to ensure that the profile of data quality is raised by including an update on the success of data quality system spot-checks as a regular report to councillors.

Stage 2 – Analytical review

- 8 Our analytical review work at Stage 2 identified that the PI values reviewed either fell within expected ranges or were substantiated by evidence.

Stage 3 – Data quality spot checks

- 9 Our review and spot checks of BV82b (Composting performance) and BV165 (Pedestrian crossings: disabled people) found that they were both fairly stated.

Detailed findings

Management arrangements (Stage 1)

10 Overall, the Council's corporate arrangements for data quality are consistently above minimum requirements.

Governance and leadership

- 11** A data quality policy now exists with good leadership at officer level shown, though there is no explicit role for councillors. A data quality policy has now been created that encodes the good practice that existed in the organisation on the handling of data and responsibilities of the corporate centre and directorates for the use and improvement of data. Councillor involvement in data quality is generally lacking, although some lead members have a role in data quality for their specific areas of responsibility. Training of councillors in data quality is at an early stage.
- 12** There is an appropriate balance between corporate oversight and directorate responsibility for data quality. The corporate centre provides the data quality policy and framework and guidance on the information systems for the organisation and the directorates fully engage on delivering outcomes that match the corporate direction. There is also clear support at top management and councillor level for strong performance management and this strengthens commonality of a very large council to manage its business.
- 13** Monitoring of data quality is effective. There is corporate oversight of national and local performance indicators (PIs). Service data quality is the responsibility of those who produce the data and those who are involved with the detailed collection systems which produce the final service analyses that are reported within the Council. Directorates have their own Data Quality champions and teams. Internal audit play an important role in carrying out detailed re-calculations on a risk basis for various indicators. Data that is provided to the corporate centre has been through extensive data quality checks within directorates as well as by government departments which receive the detailed information such as on checks for vulnerable children. This gives assurance that data that is used for decision-making is accurate.

| Recommendations | |
|-----------------|------------------------------------------------------------------------------------------------------|
| R1 | The role of all councillors should be specified in the data quality policy. |
| R2 | Councillors should have data quality training provided commensurate with their role in data quality. |

Policies

- 14** Data quality polices and procedures are effective in securing the accuracy and appropriate use of data. Each information system has a nominated data quality champion who oversees the production of documentation, promotes the data policies and reports and reviews on compliance with the policy.
- 15** A formal policy on data quality was adopted in March 2008, consolidating existing practice into one document. The policy has areas of responsibility assigned for all managers and staff. Directorate risk registers also include items on data quality as appropriate and operational procedures and guidance notes are available in all directorates. The Council has not set any targets on data quality corporately other than to ensure all local PIs have specific definitions to standardise internal reporting. There have been a number of officer reviews on data quality though these reviews have not resulted in a series of reports to councillors. Specific, measurable, achievable, realistic and timed (SMART) objectives on specific data streams are the responsibilities of directorates for their own information needs. However, as already noted, there remains no member involvement in data quality and that is a weakness of the policy.
- 16** The data quality champion role is effective. The directorates have nominated data quality champions who are all already engaged in such work and all are trained for this role. There is a network of such champions across the organisation supported by an officer at the corporate centre who promotes the importance of the data quality policy. There are examples of intervention by the champions when monitoring has uncovered issues for resolution. This included a reluctance of some staff to pursue sensitive data on vulnerable people when that was necessary to confirm the appropriate next steps in care and education provision. Training was given in this instance and forms altered to emphasise compliance. As such, the role of data quality champion demonstrates a strong impact on data quality.

Systems and processes

- 17** Systems and processes are effective in securing the quality of the data used by the Council.
- 18** Controls over performance information systems are subject to regular review by internal audit, the results of which are reported to the Governance and Audit Committee. There are also internal checks to validate data supplied, such as Highways checking on contractor claims for travel by verifying those claims through spot-check measuring the time claimed through the GPS system. On disaster recovery there are back-ups of systems for business for every part of the data. These include backup servers and application servers based in Canary Wharf with further servers backing up the data with a 15 minute delay, ensuring the minimal loss of data. The Information Services Group is the responsible group that manages the business continuity plans for the whole county infrastructure. This means that effective back-ups are in place to minimise any unexpected loss of data through system failure.

Detailed findings

- 19** The Council seeks to ensure that data is accurate, including that shared with partners. Data received from other public bodies are in most cases part of national collection systems. These include recorded crime statistics, hospital episode statistics, and benefit claimant counts. These data sources are subject to their own verification procedures. In addition, the Council works with local partners such as the police to give advice about the information systems and checked on the assurance of the quality in data recorded. Data validation exercises are also carried out to identify and correct errors such as on ethnicity data supplied by schools. Data is also modelled by super output areas to check that pupil addresses are correct and this information is used extensively to assist in matters such as enrolment and service planning. While the Council has identified which bodies it shares information with and has some examples of working with partners on data quality standards, it has not set formal protocols and standards on data quality requirements from these bodies. This opens the possibility that some data from partners used by the Council is not accurate.

Recommendation

- R3** That the Council at a strategic level formalises protocols and standards on data quality received from outside bodies to ensure that all data used by the Council is sound.

People and skills

- 20** The Council ensures that staff skills in data quality are appropriate.
- 21** As already mentioned, data quality champions for each directorate have been chosen for their existing knowledge of data quality and have been trained in the sound use of systems and how to ensure that data used is correct. The data quality policy makes it clear that all staff involved in producing data/information whether defining, collating, recording, extracting, analysing or reporting - have a responsibility for quality. It also emphasises that staff should be aware of how any data they record or handle is used (and its relative value to the organisation) and how their role can impact upon quality. Each directorate also trains staff using data on data quality policies and practices and corporate generic data quality training is now in place. Standards on data quality are therefore clear to staff both corporately and in directorates and this ensures that understand their roles and responsibilities in relation to data quality. There is however no corporate overview of the effectiveness of the various levels of data quality training and so the organisation does not have a single understanding of any gaps needing to be filled.
- 22** Data quality champions take action to identifying and addressing potential data quality problems. For example, the training needs of staff using data are considered when a national or local PI is introduced or altered. Back-up training is given on the altered system, then the directorates run reports to pick up any errors found in operating the new system. This was used when the addition of questions on religion by front-line staff were added by social services. The standards team ran a session about putting in

that question then ran follow up reports to check on progress. This caused a necessary change in culture.

Recommendation

R4 The Council should report on the effectiveness of the various levels of data quality training provided so that it can assure itself that any data quality gaps in staff are being met.

Data use and reporting

- 23** The Council's validation procedures ensure that data reported is accurate.
- 24** The Council has effective systems to match data for accuracy. These include Transactional Data Matching through an external company that is done to improve efficiency; a file is extracted, sent to company who match the profile against other lists for normative data and where it does not match, a report goes to care management teams to check and improve the data. Other systems like Collect point up anomalies in data on vulnerable people but the Council's intention is to be right first time in this sensitive area. There are random checks on data to clear errors and record assumptions. This reported and signed off at Director level. The 2008 Joint Area Review (JAR) commented that one of the strengths of the Council was its culture of performance management to keep the organisation on track. Another example of intervention was on issues to do with the proportion of youth offenders in education and employment showing people still on courses when they had in fact left. There were problems collecting data as it was reliant on several people to collect the data. Having identified the problem, the solution agreed was that education workers would list each month when programmes finished and the data was reflected on the appropriate databases, flagging when the person was expected to leave the programme. As a result, the latest quarterly reports show far fewer records where the earlier problem is still occurring.
- 25** The Council has learnt from earlier failures in data quality. For example, last year's failure in the library PI was found to be a lack of clarity on how long to hold paper records. While libraries collect paper records monthly for data to be entered into information systems, a check showed that some of these paper copies had been destroyed soon after data entry even though the procedures instructed staff to keep them for 3 years. Since then all libraries have received written instructions on how long to keep paperwork. The Council identified the issue during data quality spot-checks and should continue to carry out checks and report findings to members to ensure high quality data.

Recommendation

R5 Ensure that the profile of data quality is raised by reporting the results of spot-checks of data systems to councillors.

Detailed findings

Analytical review (Stage 2)

26 An analytical review of the following BVPIs and non-BVPIs was carried out. The findings, subject to the validation of a sample of PIs in stage 3 spot checks, are shown below.

Table 2 Analytical review findings

| 2007/08 Performance indicator | Assessment | Comment |
|--------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| BVPI 82a(i) - Recycling performance (%) | Variance from 2006/07 and value within Audit Commission parameters | |
| BVPI 82a(ii) - Recycling performance (tonnage) | Variance from 2006/07 attributable to real performance improvement | Council invested in improving tonnage sent for recycling |
| BVPI 82b(i) - Composting performance (%) | Variance from 2006/07 and value within Audit Commission parameters | |
| BVPI (82b(ii) - Composting performance (tonnage) | Variance from 2006/07 attributable to real performance improvement | Council invested in improving tonnage sent for composting |
| BVPI 165 - Pedestrian crossings: disabled people | Variance from 2006/07 attributable to real performance decline | Council surveyed all crossings in 2007/08 and found that a number did not meet minimum standards |
| Non-BVPI IPF - Cost per library visit | Variance from 2006/07 and value within Audit Commission parameters | |

27 All other PIs reviewed were found to be complete and within plausible and permissible values.

Data quality spot checks (Stage 3)

28 A number of PIs were reviewed using a series of detailed spot checks and audit tests. Our findings are shown below.

Table 3 Spot check findings

| Performance indicator | Assessment | Comment |
|------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environment - BV 82b(ii) | Fairly stated | The Council made available all the records to support the PI. A sample check confirmed that PI correctly calculated. |
| Environment - BV 165 | Fairly stated | The Council carried out a full review of the disabled pedestrian crossings in 2007/08 after the 'unfairly stated' conclusion in 2006/07. A sample check of the survey results confirmed that it had been accurately completed and the PI correctly calculated. |

Appendix 1 – Action Plan

| Page no. | Recommendation | Priority 1 = Low 2 = Med 3 = High | Responsibility | Agreed | Comments | Date |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------|--------|----------------------------------------------------|----------------|
| 5 | R1 The role of all councillors should be specified in the data quality policy. | 1 | Richard Fitzgerald | Yes | Update to Policy | June 2009 |
| 5 | R2 Councillors should have data quality training provided commensurate with their role in data quality. | 1 | Data Quality Champions | Yes | To be addressed through Policy Overview Committees | September 2009 |
| 7 | R3 That the Council at a strategic level formalises protocols and standards on data quality received from outside bodies to ensure that all data used by the Council is sound. | 2 | Richard Fitzgerald | Yes | To be developed through the Kent Partnership | September 2009 |
| 8 | R4 The Council should report on the effectiveness of the various levels of data quality training provided so that it can assure itself that any data quality gaps in staff are being met. | 1 | Data Quality Champions | Yes | Review to be undertaken | September 2009 |
| 9 | R5 Ensure that the profile of data quality is raised by reporting the results of spot-checks of data systems to councillors. | 2 | Data Quality Champions | Yes | To be addressed through Policy Overview Committees | September 2009 |

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By: **Charles Findlay, Chairman – Governance and Audit Committee**
Robert Hardy, Director of Improvement and Engagement

To: Governance & Audit Committee

4 March 2009

Subject: KCC Annual Complaints Report 2007/08

Classification: Unrestricted

File Ref:

Summary: This report provides Members with information of the KCC's handling of complaints in 2007/08 and proposals for a new approach from April 2009.

1. Introduction

This report contains information on complaints, enquiries and comments received and dealt with by Kent County Council during 2007/08. It outlines the number of complaints received by departments, complaint trends, the source of complaints and the performance on handling complaints. Information, where available, is also provided on improvements taking place as a result of complaints.

All Directorates report annually on complaints to their Policy Overview Committees and the Corporate Policy Overview Committee received this report in January 2009.

2. The Current Complaints Process

KCC has a well-established complaints process for handling complaints, comments and compliments from the public. A complaint is defined as “an expression of dissatisfaction, whether justified or not and however made, about the standard of or the delivery of service, the actions or lack of action by the Council or its staff which affects an individual service user or group of users”. This covers:

- Statutory or non statutory services provided to individual customers
- Services provided on a commercial basis (e.g. Home to School transport)
- Services provided to schools.

This definition is in line with those of the Local Government Ombudsman and the British Standards Institute and is consistent with the definitions used by other local authorities.

For complaints, there are 3 stages to the process -

- STAGE 1 Problem solving/Local Resolution
- STAGE 2 Formal/Investigative Stage
- STAGE 3 Appeal Panel

The emphasis in the current complaints procedure is to try to resolve complaints at a local level. If the complaint is not resolved at Stage 1 (problem solving) or if it is particularly serious, then the complaint can progress to Stage 2 (Formal Complaint).

Any individual (or organisation) that uses or receives a council service can make a complaint if they are dissatisfied with the service and they can do so via a number of channels, although letters are still recorded as the medium most used for complaints.

The complaints procedure does not cover complaints from members of staff, trainees, apprentices or persons on work placements, involving working conditions, pay or other internal grievances.

3. Operation of the Complaints Procedure in 2007/08

Complaints are useful customer feedback, not to apportion blame where the service may not have been up to the standard expected but rather to develop a learning and customer responsive culture.

A review of complaints in November 2006 highlighted the need for improved monitoring. When benchmarked with other authorities Kent appeared to receive fewer complaints. On investigation it was found that not all complaints were recorded and steps have been taken to improve this process in all directorates, but more continues to need to be done.

In 2007/08, 1,839 complaints were received compared with 1,732 for 2006/07. This does not necessarily represent a decline in the standard of service, as the increase almost certainly reflects the effectiveness of the improved reporting procedure now in place. It also reflects the fact that people are better informed about our complaints procedure and more willing to exercise their right to complain if they are not happy with the service(s) they received.

The number of complaints and compliments also needs to be considered in the context of the number of people accessing services.

3i. Adult Social Services

Number of Adult Social Services Complaints Received in 2007/2008

In 2007/08, there were over 31,700 referrals to Adult Social Services, there were also over 35,500 people in receipt of services in March 2008. Compared to the number of people accessing services, the number of complaints received is relatively small.

In 2007/08, 346 complaints were received; this is a decrease from the previous year when 440 complaints were recorded. This reflects a 21% decrease in the overall number of complaints received. Whilst it is pleasing to note this significant reduction, which indicates that staff feel more confident and empowered to resolve problems as they arise, we should not be complacent and must continue to ensure service users are given the opportunity to complain when a service falls below the expected standard.

Out of the 346 complaints, 295 of these were logged as statutory complaints under the NHS and Community Care Act, this is a decrease from the previous year when 368 complaints were recorded. The remaining 51 complaints were from "non qualifying individuals" (not service users or carers); these complaints do not fall within the statutory process.

Of the 295 statutory complaints received in 2007/08, 20 were investigated under Stage 2 of the complaints procedure, with only 3 resulting in a Complaint Review Panel.

Services for Adults with a Disability

Last year there were 57 complaints about services for people with a disability. The total number of complaints received has been divided separately between those with physical or learning disabilities.

Those complaints about services for adults with physical disabilities total 10. This can be further broken down with care management accounting for 7 of the complaints received, 2 were about domiciliary care and 1 was about residential care.

Those complaints about services for adults with learning disabilities total 47. Of the number received, 29 related to care management, 5 were about day care, 9 residential care, 2 transitional arrangements and 2 were classified under "other".

Further analysis of the complaints received under disability, both physical and learning, indicates that in comparison to last year, there has been a slight increase overall in the total number of complaints received – 14% (7 additional complaints). The numbers relating to care management have decreased by 12%, although in contrast complaints about residential care have doubled. However this amounts to an increase of 5 complaints for the year.

The common themes that cause people to complain about these services include those who are dissatisfied with; the outcome of their assessment (typically, insufficient service provision), the quality of care, poor timekeeping, and failure of service delivery.

Services for Older People

There were 191 complaints about services for older people, indicating a slight decrease (5%) in comparison to the previous year, when 201 complaints were received. In broad terms the numbers of complaints received within the categories of older people services do not show significant fluctuations, when compared to those received in 2006/07. The exceptions are domiciliary care, where complaints received have decreased by 41% (19 complaints) on the previous year. The reverse is true of residential care complaints, where the numbers have increased by 58% (10 additional complaints) to those lodged in the previous year.

It is pleasing to note the decrease in domiciliary care complaints as a significant amount of work has been undertaken to raise the satisfaction levels of people using these services. It was reported last year that following meetings with a group of service users concerned about domiciliary care services, the Contracting Department had addressed these by:

- Ensuring there are mechanisms in place for addressing issues of concern with a focus to monitor whether these are working.
- A Quality Assessment Framework was introduced enabling the department to target those providers that are not performing as well as expected.
- CSCI have introduced a rating system for providers. This will be effected as a rolling programme with new homes being assessed first.

Occupational Therapy and Sensory Loss

There were 39 complaints about the O.T Bureau, (4 of which related to Deaf Services and 6 were about the Blue Badge scheme). Overall this is a decrease of 22% on the previous year's total of 50 complaints.

The vast majority of these complaints arise as a result of delays in equipment provision or completion of adaptations once an assessment has been completed. Funding for this work is obtained via the Disabled Facilities Grants (available from Borough Councils) and this is where the delays occur.

Other Direct Provision Complaints

In total 32 complaints were received about other Direct Provision services. Included in this figure are 6 complaints about the Adult Services Provider Unit. This is a significant reduction on the previous year when 18 complaints were received.

26 of these complaints were received about in-house registered care centres for older people. Reasons for people complaining typically include poor communication and/or concerns on the quality of care.

Method of Contact

The majority of complaints 247 (71%) were received by letter. 59 (17%) were received by telephone and 26 (7%) were received by email.

Timescales

Acknowledgements

Non-statutory

95.5% done within the standard of 3 days (49)

Statutory stage 1

87.6% done within the standard of 3 days (255)

Statutory stage 2

88.2% done within 3 days (18)

Statutory stage 3

100% done within the standard 3 days (3)

Response Times

Non-statutory

68.8% done within the standard of 20 days (34)

Statutory stage 1

80.3% done within the standard of 20 days (234)

Statutory stage 2

40.0% done within the standard 65 days (9)

Statutory stage 3

66.6% done within the standard 20 days (2)

From April 2009 there will no longer be statutory timescales to answer complaints. Kent Adult Social services will continue to issue acknowledgements within 3 working days and complaints within 20 days for less complex complaints.

Learning the Lessons from Complaints

As a result of a complaint regarding the lack of accurate information regarding a Nursing Home placement, which resulted in the family being liable for a top up fee of over £1,900

for the period of stay a number of improvements were made to the 'Charging for Residential Care' booklet. In addition, a standard letter was developed that gives clear and detailed information in relation to financial contributions and charging.

Improvements were put into place after relatives complained about their experience of collecting the belongings of their deceased relative from an in-house respite/residential home. These include, staff training covering the issues raised; a review of staff training records to ensure staff had undertaken training on support for bereaved relatives; production of an information leaflet for relatives to explain the procedure for collection of belongings. The complainants were involved in this process.

After receiving a complaint regarding quality of care issues following a period of respite, staff arranged a meeting with the complainant to discuss the detail of the complaint. Subsequently, staff training was implemented focussing on the importance of recording service user information, especially when personal care is refused. This stressed the need to complete detailed care plans and risk assessments on admission. A 'lifestyle questionnaire' was also devised, for completion prior to admission. This records specific information about the service user that he/she or the family think will be useful, including their likes/dislikes and/or life history. The information gleaned on service users enables staff to have a better understanding of each individual and ensures consistency of care.

The charging policy is another good example. In previous years, although minimal changes were made to the policy, a large number of complaints were received as a result of poor communication in relation to the proposed changes. In this period, significant changes were made to the policy, but previous complainants were involved in advising on how this should be communicated to other service users. As a result, the number of complaints reduced.

Compliments

There were 455 letters of compliment received during the year. This is a 38% decrease on last year, although on reviewing the previous years compliments, it was clear that one organisation, in particular, was classifying each comment received as a compliment. This practice has now been reviewed, hence the reduction in the overall number of compliments for this reporting period.

Developments

Making Experiences Count – National and Local context. The Department of Health is introducing a single complaints system across Health & Social Care with the aim of increasing people's confidence that their complaints will be taken seriously and that services will improve as a result of their experiences.

The proposal is to develop a single 2-step complaints process across health and social care, ensuring that local resolution is robust and fit for purpose. The focus of which will be to adopt a flexible approach to resolving complaints locally in a more person centred way. The current role of the Healthcare Commission in reviewing NHS complaints will be removed, as will the current requirement within Social Care to hold a Complaints Review Panel.

12 sites representing 93 organisations across the country have been identified as "Early Adopters" and will pilot the new approach for a period of 3-6 months. Originally, it was expected that the single process would come into effect from April 2009, but it is anticipated that there will be some slippage on this timing.

Kent has been identified as one of the Early Adopter sites and representatives from Kent & Medway health and social care organisations have been involved in the pilot. The Department of Health team co-ordinating the pilot have recognised Kent & Medway as playing a significant role in the national pilot and have judged the Kent & Medway project as being “ahead of the game”.

Kent Health Watch

Kent Health Watch was established by Kent County Council in partnership with the NHS to help local residents express their views about health and social care in Kent. This service will not replace existing feedback mechanisms within health and social care, but enhance what is currently available with the aim of improving services.

It will cover all health and social care services delivered within Kent along with services commissioned for Kent residents but provided elsewhere. Kent Health Watch will operate 24 hours a day, seven days a week, by telephone, texphone and email. It will operate like a Directory Enquiry service, signposting callers to the right contact whenever they want to make compliments, comments, complaints or concerns about health or social care.

In preparation for the launch of Kent Health Watch, contact centre agents have undergone bespoke training in dealing with social care queries. This included, safeguarding, provision of service - how this is funded and the issues around direct payments and self funders. The logging system has been amended to reflect these specific groups to enable the Directorate to monitor the volume of calls specifically from self funders.

Reassuringly, some of the agents who are already experienced in dealing with social care calls have been transferred to the Health Watch number. This will provide consistency and experience of social care services. They will also be able to share this knowledge and experience with newer members of staff.

3ii Children Families and Education

This section is divided into two parts, Children’s Social Services, whose complaints procedure is required by the “Children Act 1989 Representations Procedure (England) Regulations 2006” and then other information regarding the complaints and enquiries received in the wider CFE Directorate.

Number of Children Social Services Complaints Received in 2007/2008

When taking into account the number of new referrals to the service (10,222), the number of existing service users and the number of contacts with the service everyday, the proportion of complaints is relatively small. Statutory complaints received in 2007/08 represent only 2.5% of latest caseload figures.

In 2007/08, there were 267 complaints relating to Children’s Social Services. Of these 178 were statutory complaints logged under the Children Act procedures. The other 89 were non-statutory complaints, complaints that were outside the scope of the legislation. The total number of complaints has increased over previous years however this was the first full year in which the new regulations were in operation and the figures are not, therefore directly comparable.

The new complaint regulations and associated guidance issued in September 2006 has impacted on the complaint procedure in terms of extending the scope of the procedures.

Although the number of statutory complaints at Stage 1 has not increased, it is noticeable that there are more Stage 2 complaints, possibly reflecting the greater complexity of issues in the complaints received. With the extended scope of the regulations more child protection and legal issues are dealt with in the complaints procedure often raising issues that are not easily resolved at an early stage.

When a statutory complaint is received, in the majority of cases it will be logged at the first stage of Local Resolution. At this stage a local manager will endeavour to address the issues and resolve the complaint. In 2007/08, 177 complaints were logged at Stage 1.

Where the complaint is not resolved then the complainant might decide to take the complaint to the next Stage of Formal Investigation. In 2007/08, 42 complaints were logged at Stage 2 (compared to 32 in 2006/07); four of these were subsequently withdrawn. There were also 6 complaints that went to the Complaints Review Panel Stage in 2007/08. The Panels were constituted under the new regulations with 3 Independent Panel Members considering the complaints and making recommendations to the Local Authority.

Some of those accessing Children's Social Services might not be "willing" customers as the reasons for the contact could be due to a statutory intervention as a result of concerns for the welfare of a child. Not surprisingly many of the complaints received reflected the contentious nature of aspects of the service. Approximately 30% of complaints related to the attitude or behaviour of staff. This might include for example instances where service users considered social workers were not taking their views sufficiently into account or where a comment was made that the service user didn't agree with, or where there was a perception that the social worker had not acted fairly regarding a dispute between family members. Some people complained that their social workers did not keep them sufficiently informed of developments and considered the social workers were not communicating frequently enough or responding quickly enough to issues raised.

Disputed decisions also accounted for approximately 30% of complaints. This covers a range of issues including for example decisions about changes of placement or decisions about the provision of a particular service such as Direct Payments.

Another issue that gives rise to complaints is where people want more support than is being offered (19%). An example is where someone has left a family home and wants social services to intervene in the family but the assessment indicates the family does not need social work help. Another example is where people are requesting more financial support such, as where a relative or friend is caring for a child in need. Other examples include where parents of disabled children are requesting more support such as day care or respite care for their child.

Method of Contact

In 2007/08 most statutory complaints were received by letter 65% but increasing numbers of people are using e-mail 11%. Other complaints were made by direct contact with customer care by telephone or in person. Half of the 19 complaints from children and young people were via the *Upfront* children's advocacy service for Looked After Children.

Timescales

The time scales for Stage 1 complaints are 10 working days for most complaints and 20 working days for complex complaints (for example complaints that involve another agency). The majority of Stage 1 complaints were responded to within the statutory time

scales with 67.1% responded to within 10 working days and 78.6% of the complex complaints responded to within 20 working days. In 2007/08 there were difficulties in meeting time scales on Stage 2 complaints – there were a number of reasons for this – the complexity of the complaints, the increased number of Stage 2 complaints and the independent provider of the Independent Person experienced problems meeting the increased demand. This has now been addressed and time scales are improving.

Learning the Lessons from Complaints

In 2007/08 there were occasions where lessons were learned more widely from complaints. One example is where a parent complained that his views had not been properly considered at a case conference – clear advice on this and on the right to complain is now included in the new safeguarding procedures and in leaflets for people being invited to case conferences. Other complainants questioned the difficulty of complying with written agreements, the policy section is now drawing up good practice guidance for social workers to advise on the use and status of written agreements.

During 2007/08 there have been training sessions for staff regarding conducting investigations into complaints and writing responses to complaints. The Local Government Ombudsman's Office assisted with the delivery of complaint investigation training and the Customer Care team has provided training for social work teams, newly qualified social workers and administrative staff in complaints handling.

Compliments

There were 36 "merits" (or letters of compliment). These included instances where others, for example courts, teachers, service users, police officers and foster carers, complimented social workers on the quality of their work.

Enquiries

There were also 94 enquiries (these include letters from MPs or Members to senior managers about an individual or about the service in general).

Developments

There are a number of developments taking place in 2008/09, which are intended to further improve the Children Social Services complaint procedure. This includes: making the procedure more accessible to children and young people (as the number of complaints from this group is relatively low), provide more training for staff on aspects of the complaint procedures, and continue to develop links with colleagues in health to ensure a co-ordinated response to joint complaints.

Complaints Relating to other Children, Families, and Education services.

There are not the same statutory requirements for complaints about education services nevertheless it is still important to have a responsive and robust complaints procedure in place to resolve any dissatisfaction and to learn the lessons where services have not been to a standard that might be expected.

In September 2007, a *Respond* database, based on the one used in Children's Social Services, was developed to log complaints and enquiries. There is not a full year set of data to analyse yet and there are still areas for development, nevertheless it is a useful tool for logging and tracking complaints and should in due course be a useful source of data.

Between 1 September 2007 and 31 March 2008, 218 complaints and “expressions of discontent” have been logged. This is an increase on the previous year but this is probably due to a more systematic approach to logging issues rather than any reflection on the services delivered. There were also 110 enquiries logged, 55 school issues, and 110 contacts requesting or providing information.

Complaints about schools are passed direct to the schools to be dealt with in the schools complaints procedure. Appeals processes exist for people to challenge decisions they are not satisfied with, for example appeals processes for school admissions, transport and statementing. Consequently not all “dissatisfaction” is handled through the complaints procedure. Where complaints are received that do not fall within the remit of appeals and are not for school complaints procedures, then the complaints are being logged on the Respond database.

Method of Contact

The majority of complaints received were through written correspondence, – either by letter 171(78%) or by e-mail, 37 (17%). Most were initiated by parents or close relatives of children and young people.

Compliments

From April 2009 all Business Units will record compliments.

3iii Communities

Number of Communities Complaints Received in 2007/2008

The number of complaints received in 2007/08 was 457 a reduction in the 634 received in 2006/07. The main decrease in complaints has been in the reduction of the number of complaints received by the Adult Education service. In 2006/07 there had been a number of course cuts which resulted in a high number of complaints. Improved customer care training and staff being better able to deal with complaints when first raised has also reduced the number of complaints received within the Communities Directorate.

Trading Standards

The number of official complaints from both businesses and consumers for 2007/08 totals 15. Four were from businesses and 11 from consumers.

Kent Scientific Services

Within KSS complaints are encouraged and actively sought as they are a way of improving the service. There was 1 complaint in 2007/08

Community Safety

During 2007/08 a total of 20 complaints were received by the Community Safety Unit.

Registration & Coroners

10 formal complaints were received in 2007/08. Four concerned the attitude and behaviour of the Registrar during a birth and death registration and were all upheld. Two concerned delays to the death registration process caused by the death being referred to the Coroner and a full explanation was given in each case. Two related to fees charged for ceremonies for which a full explanation was given in each case. One concerned a request for a refund that was initially refused but subsequently granted. One concerned the lack of appointment availability for which a full explanation was given.

Youth Service

A total of 7 complaints were received during 2007/08.

Youth Offending Service

There were no complaints received in 2007/8. Complaints and Customer Comments are monitored centrally through the Service's Customer Care Manager. Emphasis is placed on early problem solving at team level.

Kent Drug & Alcohol Action Team (KDAAT)

A total of 2 complaints were received from clients regarding Service Providers. KDAAT's Service User Involvement Officer advised clients on how to access provider complaints mechanisms.

Sports Leisure & Olympics

There have been no formal complaints throughout the day to day operation of the service. However, some minor levels of dissatisfaction were expressed in the Customer Satisfaction Survey, which have been addressed through an action plan and where appropriate direct contact, to clarify the issues raised and provide appropriate responses.

Libraries & Archives

1,425 Comment cards were received from the public in 2007/08. 691 were comments or suggestions, 364 were compliments and 370 were complaints. All complaints received were all resolved with an initial response from the appropriate manager.

Kent Adult Education Service

27 complaints were received in 2007/08 compared with 149 in 2006/07. In 2006/07 there had been a number of course cuts which resulted in a high number of complaints. Improved customer care training and staff being better able to deal with complaints when first raised has also reduced the number of complaints received. The main causes of complaints are course cancellations, dissatisfaction with classes, facilities and venues.

Turner Contemporary

There were 5 complaints in 2007/08.

Learning the Lessons from Complaints

Following complaints Trading Standards reviewed and changed a legal process system to ensure that members of the public who may have provided witness statements are kept informed of progress. Written warnings to traders are now more clearly worded and readily identifiable as cautions.

The Youth Service has issued guidance on recruitment. KDDAT now include complaints in service provider quarterly performance monitoring meetings and any outstanding issues are raised in these forums.

Kent Adult Education Service complaints have led to improvement in facilities, centres and teaching delivery as part of our overall approach to raising service standards. These included:

- Additional support for students who were finding their courses of study challenging
- Movement of classes where noise from neighbouring activities caused disruption
- Negotiated favourable car parking rates for students where centre car parking was limited.

Methods of contact

80% of complaints were received by comment card, with 11% received by letter.

Timescales

Communities did not collect detailed information on response times in 2007/08.

Compliments

From April 2009 all Business Units will record compliments, comments and timescales.

3iv. Environment and Regeneration

Number of Environment & Regeneration Complaints Received in 2007/2008

The number of complaints received in 2007/08 was 660 compared with 341 in 2006/07. The increase in the number of complaints recorded reflects the effectiveness of the improved reporting procedure now in place since Environment & Waste applied for and achieved Charter Mark (customer service) accreditation in March 2008 and this process has improved monitoring of customer feedback.

173 of the Environment & Waste 426 complaints for 2007/08 were regarding a policy decision to remove eight bins and stop plastic recycling at Household Waste Recycling Centre's. The contribution to the County's recycling rate made by these bins was 0.03% as the tonnages taken to the site by the public were very small as the twelve districts provide kerbside collections.

The level of complaints and compliments for KHS has also increased over the last year. This is mainly down to improved understanding by the Contact Centre Highways Team about customer feedback and increased information going out by the KHS communications team about how to report feedback to the service.

Learning the Lessons from Complaints

Environment & Waste has conducted customer surveys and mystery shopping at a number of Household Waste Recycling Centres and Customers Surveys at some Country Parks and is using the findings to provide customer led services and as a benchmark to monitor customer satisfaction. There has been improved feedback from being more proactive this year in ensuring its customers can offer feedback by a number of methods e.g. Country Park Comments Cards, Explore Kent website and customer surveys.

Kent Highway Services has improved the handling of customer feedback by ensuring that all feedback is logged and responses managed by the new Customer Liaison Team Leaders and that all customers reporting complaints are contacted in a short period of time to explain the complaints process and next steps.

Within the Business, Performance and Communications service plan a review of service standards to improve response times for complaints is detailed, with measures and expected outcomes. KHS has also implemented an action plan for improving letter response times across the organisation. In addition to these action plans all complaints are now monitored centrally, with actions being sent directly to the Heads of Service.

Method of Contact

The majority of complaints received were through written correspondence – either by letter 33% or by e-mail 32%. 18% were received by telephone and 11% by comment card.

Timescales

In 2007/08 616 (93%) were acknowledged within 5 working days and 638 (97%) were responded to in full within 20 working days.

Compliments

1,398 compliments were received between April 2007 & March 2008. Once again the majority of these were received by KHS (51%) and E&W (46%). Copies of all external compliments are filed and provided to the Managing Director of E&R on a quarterly basis.

3v. Chief Executives Department

Number of Chief Executives Department Complaints Received in 2007/08

In 2007/08, 44 complaints were received compared with 42 for 2006/07.

Business Solutions and Policy

There has been 1 complaint regarding information on a consultation with the public.

Commercial Services

The majority of complaints received are from parents who are not satisfied regarding the mode of transport to school provided for their child.

There have also been a number of complaints in the press by the private sector regarding Commercial Services activity, which have resulted in an on-going dialogue with the Federation of Small Businesses'.

Corporate Finance

Within Corporate Finance there were 12 complaints that our insurers had declined legal liability for paying out on claims for compensation made against the Council and 4 connected to council tax. These related to comments about: multiple council tax leaflets; compensation for a faulty street light; pensioner complaining about overpaid officials; and local facilities - tax paid compared to services personally received.

Finance have also dealt with over 100 enquires about council tax or county spending. The majority of these complaints are received by e-mail. Following articles in the press a number of enquires have been received regarding the Chief Executive's salary and the non-disclosure of senior staff salaries. The majority of these queries have been generated by the Taxpayers' Alliance publicity.

Legal & Democratic Services

Complaints to Legal and Democratic Services are mainly to do with delays in responding to correspondence.

Personnel

Between April 1st 2007 - March 31st 2008 a total of 1,765 posts were advertised and over 24,000 application forms from candidates. During this period 4 complaints were received regarding issues such as no response from application process, feedback after the interview and information on KCC website.

Property Group

1 complaint was received by a householder concerning building work being carried out a nearby school. This was an on-going complaint during the time work was carried out. In

total 7 letters were sent and approximately 12 telephone calls made to answer this complaint.

Strategic Development and Public Access

KCC Gateways are managed by Strategic Development and Public Access department. Complaints about the Gateways service are dealt with by the relevant business service using the Gateway and will not be reported here. As from April 2008 complaints received about the Contact Centre and public access will be reported within the Chief Executives Department complaints report.

Method of contact

The majority of complaints received were through written correspondence – either by letter 86% or by e-mail 11%.

Timescales

All complaints were acknowledged within 5 days and 95% of complaints were answered within 10 working days.

Learning the Lessons from Complaints

Customers have the right to complain. However, there are not always wider lessons from complaints. Some complaints often involve one off administration or human errors. However, services are encouraged to understand and apply the lessons from complaints in terms of service or procedural improvements where clear trends emerge from individual complaints. There have been no policy changes as a result of these complaints.

Compliments

Chief Executives Department will collect comments, compliments and timescale information from April 2009.

3vi. Complaints to the Local Government Ombudsman

The Local Government Ombudsmen (LGO) investigate complaints of injustice arising from maladministration by local authorities and investigates complaints about council matters including planning, education, social services, consumer protection, highways, drainage and council tax.

A complainant must give the Council concerned an opportunity to deal with a complaint against it first. If the complainant is not satisfied with the action the Council takes, they can send a written complaint to the LGO, or ask a councillor to do so on their behalf.

The LGO can investigate complaints about how the council has done something but cannot question what a council has done simply because someone does not agree with it. The LGO's objective is to secure satisfactory outcomes for complainants, where appropriate, and improve administration in local authorities.

Each year the LGO provides a summary of the complaints the Council has received in an Annual Letter. This is reported to Governance & Audit Committee annually in June, with half year progress reported to Governance & Audit Committee in December.

Complaints Received

In 2007/08, 146 complaints were received by the LGO a slight reduction on the 148 complaints received in 2006/07 (The number of complaints received is not the same as

the number of complaints determined by the Ombudsman, because some complaints are made one year and decided in the next year).

Decisions on Complaints

During the year decisions on 140 complaints against the Council were made by the LGO. There were 22 premature complaints (the council has not had an opportunity to deal with the complaint itself), 21 complaints outside the LGO jurisdiction, the LGO used discretion and closed 23 with no further action by the Council. There was no maladministration in 49 complaints.

Local Settlements

A 'local' settlement is a complaint where, during the course of our investigation, the Council has agreed to take some action which the LGO considers is a satisfactory response to the complaint. The investigation is then discontinued. In 2007/08 the Local Government Ombudsmen determined 25 of complaints by local settlement (excluding 'premature' complaints). Details can be found in the LGO's Annual Letter, Appendix 2.

Compensation

A total of £6,550 was paid in compensation to settle complaints. Details can be found in The LGO's Annual Letter, Appendix 2.

Timescales

The target for responding to LGO complaints is 28 days. The average time for responding to first enquiries is 29.4 days. There has been no improvement from last year when our response time was also 29.4 days.

4. The revised approach for 2009 onwards

Corporate Assessment - Comprehensive Performance Assessment

The Corporate Assessment highlighted a number of areas for improvement in the way the Council handles complaints:

'The Council's use of and response to complaints as a resource to drive improved services is being further developed, but currently - although statutory requirements are met - directorates have inconsistent approaches, and mechanisms for monitoring and using complaints are underdeveloped. This inconsistency is reinforced by the mixed quality and availability of service standards'.

These areas are being addressed by the County Complaints Group who will ensure consistent practice across all Directorates in monitoring and responding to complaints from the public and regarding use of complaints to drive service improvements.

All Directorates now produce an annual complaints report and from 2009 they will all cover the following common areas:

- Number of complaints
- How we received them; phone, letter, e-mail
- % answered within our standards
- What we have learnt and what we have changed and improved
- Equality and diversity information

The Corporate complaint leaflet and the website are also being updated to improve information to the public. Progress will be monitored via the annual Complaints Report to the relevant POC, and the summary report to this POC.

Future Changes

The Council is phasing in a new two step corporate complaint procedure to replace and improve on the former 3 stage procedure in operation since 1991/1992. The first 'Local Resolution' step will be for service departments and the 'Review Step' will be undertaken centrally. As from April 2009 Adult Social Care statutory complaint procedure will no longer have review panels and will also only have 2 steps. The statutory complaint procedures for children will still follow a 3 stage process, with different time scales and procedural requirements.

The revision of the corporate complaints process is one part of the developing strategy to transform customer service by listening to what our customers want and expect. The aim is to reduce the bureaucracy involved. This strategy includes reducing the number of formal stages and changing the culture within the Council by encouraging staff to deal with complaints speedily and sympathetically, apologising when things go wrong and taking action to resolve the source of complaints by learning lessons from what causes them.

A primary object of KCC's corporate complaint procedures is to provide an open, accessible and accountable process that can offer an early resolution of dissatisfaction with council services. A further objective is to protect the Council from receiving any final reports of maladministration and injustice from the LGO, which can be costly and time consuming. Managers and staff are encouraged to recognise service failures, learn the lessons from complaints to improve service delivery and to follow the Ombudsman's guidance on 'Remedies' when dealing with a formal complaint.

Within the Council we have developed a whole range of forums and engagement processes which enable people to express their views, which are then fed into the appropriate development/delivery processes for services. This provides people with alternative avenues, rather than resorting to making a complaint.

Valuing Diversity

The Council collects diversity and equalities information as required by the statutory guidance. A form is issued to people who have made a complaint to seek information on ethnicity, gender and age of the complainants. Not everyone completes and returns the form so the details are not known for all complaints.

Monitoring information is used to inform practice, however due to the relatively low response rate to our equality and diversity monitoring forms it has not been feasible to make judgments and set specific objectives or actions from the feedback received.

Further work will be undertaken in 2008/10 to ensure that all Directorates collect this information for complaints.

Vexatious and Repetitious Complainants

The Council can review a complaint and give a decision without formal Investigation where it considers it to be deliberately repetitious or vexatious.

The number of such complaints is increasing to such an extent nationally that in Autumn 2007 the Local Government Ombudsman published a Guidance Note on 'Unreasonable and persistent complainants'. The Council has adopted this guidance. (see Appendix 3)

There were no recorded Vexatious and Repetitious Complainants recorded in 2007/08.

Local Involvement Network (LINKs)

Kent and Medway Networks (KMN) have been appointed as the Host organisation for the Kent LINK. KMN has previously been a Forum Support Organisation for the former Patient and Public Involvement Forums and therefore has knowledge and experience of the area. The Kent LINK is not operational at present, although once it is launched it is anticipated that the information received from the public will influence public services in ways that are relevant and meaningful to the public themselves. It should also provide a further opportunity for concerns and complaints to be heard and responded to. (The LINK was launched on 3rd December 2008)

Conclusion

In 2007/08 KCC continued to provide a robust and effective complaints procedure in line with new statutory regulations and guidance. Lessons are learned from complaints and used to improve service delivery.

Further improvements in both process and culture are proposed for April 2009 onwards.

Recommendations

Members of the Governance & Audit Committee are asked to note the contents of this report and support the proposed changes for 2009 onwards.

Janice Hill
Performance Manager
01622 221981

Background Documents

Annual Complaints Report 2007/08, CFE Policy Overview September 2008
Adult Social Services Annual Complaints Report, KASS Policy Overview Committee 18 November 2008
E & R Annual Complaints 2008, E & R Policy Overview Committee, 25 September
Chief Executives Department Annual Complaints, Comments and Enquires Report, Corporate Policy Overview Committee, 26 September 2008
2007/08 Budget Outturn and Outturn Business Plans, Communities Policy Overview Committee, 22 Sept 2008

Other useful information -

It is a statutory requirement under the following items of legislation for local authorities to have in place a complaints and representations procedure:

- Children Act 1989 Representations Procedure (England) Regulations 2006
- NHS & Community Care Act 1990 (section 50)
- Health & Social Care Act 2000
- Local Authorities Social Services Complaint (England) Regulations 2006 (including associated Guidance; Learning From Complaints – Social Services Complaints Procedure for Adults)
- Local Government Act 2000.

**COMPARISON OF COMPLAINTS NUMBERS FOR
2005/06, 2006/07 and 2007/08**

KENT ADULT SOCIAL SERVICES

| Service | 2005/06 | 2006/07 | 2007/08 |
|-------------------------------|------------------------|------------------------|----------------|
| Contacting | 37 | 39 | 33 |
| Disability | | | |
| Care Management | 42 | 41 | 36 |
| Day Care | 6 | | 5 |
| Domiciliary | 5 | 4 | 2 |
| Residential | 23 | 5 | 10 |
| Transition Arrangements | | | 2 |
| Other | 2 | | 2 |
| Older People | | | |
| Care Management | 112 | 132 | 128 |
| Day Care | 5 | 1 | 3 |
| Domiciliary | 33 | 46 | 27 |
| Residential | 34 | 17 | 27 |
| Respite | | | 4 |
| Other | 6 | 5 | 2 |
| Specialist Services | | | |
| Adult Provider Unit | 19 | 18 | 6 |
| Homecare | 1 | 4 | |
| Older People | 21 | 24 | 26 |
| Social Economy | | 3 | |
| OT and Sensory Loss | | | |
| Deaf Services | 1 | 1 | 4 |
| OT | (inc Blue Badge) 41 | (inc Blue Badge) 49 | 29 |
| Blue Badges | | | 6 |
| Mental Health | 2 | 4 | 4 |
| Planning | | | 1 |
| County Benefits | 1 | 1 | |
| Finance | 4 | 18 | 18 |
| Hospitals | 11 | 22 | 17 |
| Out of Hours | 2 | | 2 |
| Supporting People | | 1 | |
| Direct Payments | 3 | 1 | |
| HQ Learning Disability | | 2 | |
| County Duty Service | | 1 | 2 |
| Others | 2 | 1 | 4 |
| TOTAL | 413 | 440 | 400 |

CHILDREN FAMILIES AND EDUCATION

| Service | 2005/06 | 2006/07 | 2007/08 |
|--------------------------------|----------------|----------------|----------------|
| AEN & Resources | 36 | 5 | |
| Admissions & Transport | 0 | 5 | |
| Advisory Service Kent | 3 | 0 | |
| Attendance & Behaviour | 3 | 10 | |
| Capital Strategy | 0 | 2 | |
| Children's Safeguards Unit | 1 | 0 | |
| Children and Families | 228 | 239 | |
| Client Services | 1 | 0 | |
| Communication and Information | 0 | 2 | |
| Early Years and Childcare | 4 | 0 | |
| Educational Psychology Service | 1 | 2 | |
| LAC Education Adviser Team | 3 | 0 | |
| School Governance | 1 | 0 | |
| School Organisation | 0 | 6 | |
| Specialist Teaching Service | 8 | 0 | |
| Student Awards | 0 | 4 | |
| | | | |
| TOTAL | 289 | 275 | 485 |

89 non-statutory

178 statutory

218 education (01/09/07-31/03)

Due to changes in the way complaints are logged and the introduction of the new database part way through 2007/08, It has not been possible to give an accurate breakdown of the complaints stats for the various services for 2007/08.

COMMUNITIES

| Service | 2005/06 | 2006/07 | 2007/08 |
|--------------------------|----------------|----------------|----------------|
| Contact Centre | 0 | 44 | 0 |
| Arts Development | 0 | 6 | 0 |
| Community Safety | 0 | 14 | 20 |
| Emergency Planning | 0 | 0 | 0 |
| Kent Adult Education | 152 | 149 | 27 |
| KDAAT | 0 | 1 | 2 |
| Kent Volunteers | 0 | 0 | 0 |
| Kent Scientific Services | 0 | 4 | 1 |
| Libraries | 389 | 388 | 370 |
| Registration & Coroners | 11 | 6 | 10 |
| Sports | 0 | 0 | 0 |
| Trading Standards | 12 | 12 | 15 |
| Turner Contemporary | 0 | 6 | 5 |
| Youth Offending Service | 1 | 4 | 0 |
| Youth Service | 0 | 0 | 7 |
| | | | |
| TOTAL | 565 | 634 | 457 |

ENVIRONMENT & REGENERATION

| Service | *2005/06 | 2006/07 | 2007/08 |
|------------------------|-----------------|----------------|----------------|
| Environment & Waste | 17 | 148 | 220 |
| Kent Highway Services | 25 | 190 | 232 |
| Strategy & Planning | 1 | 0 | 1 |
| Regeneration & Economy | 2 | 3 | 0 |
| Resources | 0 | 0 | 0 |
| Change & Development | 0 | 0 | 0 |
| | | | |
| TOTAL | 45 | 341 | 453 |

*Formal monitoring reviewed in October 2005 and new procedures implemented to improve data quality in January 2006

CHIEF EXECUTIVES

| Service | *2005/06 | 2006/07 | 2007/08 |
|-----------------------------|-----------------|----------------|----------------|
| Business Solutions & Policy | 1 | 4 | 1 |
| Commercial Services | 6 | 22 | 16 |
| Finance | 11 | 6 | 16 |
| Legal & Democratic Services | 1 | 0 | 5 |
| Personnel | 0 | 4 | 4 |
| Property | 7 | 6 | 1 |
| | 2 | | 1 |
| | | | |
| TOTAL | 28 | 42 | 44 |

Complaints information 1 April 2007 – 31 March 2008

How complaints were received

| | Total No. | How complaint was received | | | | | | | | |
|-----------------------------------------|---------------------------|-------------------------------|-----------------|---------------|--------------|-----------|--------------|--------------|--------------|--------------|
| | | Phone | Letter | E-mail | On-line | KMS | Face-to-face | Comment Card | Fax | Other |
| COMMUNITIES | | | | | | | | | | |
| 2007/08 | 457 | 21 | 51 | 14 | | | 1 | 370 | | 1 |
| ENVIRONMENT AND REGENERATION | | | | | | | | | | |
| 2007/08 | 660 | 119 | 215 | 213 | 6 | 29 | 1 | 75 | 2 | 0 |
| CHILDREN, FAMILIES AND EDUCATION | | | | | | | | | | |
| Children's Social Services | 178 statutory | 43 stat. (by phone or f to f) | 116 stat. | 19 stat. | | | | | | |
| Education (01/09/07 – 31/03/08) | 218 | | 171 | 37 | 3 | | | | 6 | 1 |
| TOTAL | 396 | 43 | 287 | 56 | 3 | | | | 6 | 1 |
| KENT ADULT SOCIAL SERVICES | | | | | | | | | | |
| 2007/08 | 346 (51 non-stat.) | 50 (9) | 210 (37) | 24 (2) | 4 (2) | | 2 (0) | | 0 (1) | 5 (0) |
| CHIEF EXECUTIVE'S DEPARTMENT | | | | | | | | | | |
| 2007/08 | 44 | 1 | 38 | 5 | | | | | | |

Appendix 1

Acknowledgement and Response Times against standards

| | COMPLAINTS | COMPLIMENTS | ENQUIRIES | % answered within our standards | |
|---------------------------------------|----------------------------------------------|-------------|-----------|---------------------------------|------------------------|
| | | | | ACKNOWLEDGEMENT | RESPONSE |
| COMMUNITIES | | | | | |
| 2007/08 | 457 | - | - | | |
| ENVIRONMENT AND REGENERATION | | | | | |
| 2007/08 | 660 | 1398 | - | 93% | 97% |
| CFE | | | | | |
| Children's Social Services | 267 (178 statutory, 89 non- statutory) | 36 | 94 | | 78.6% (within 20 days) |
| Education (01/09/07 – 31/03/08) | 218 | 2 | 110 | DO NOT HAVE THIS INFORMATION | |
| KENT ADULT SOCIAL SERVICES | | | | | |
| 2007/08 | 346 - 295 statutory (51 non-statutory) | 455 | 264 | 96% (98%) | 92% (88%) |
| CHIEF EXECUTIVES DEPARTMENT | | | | | |
| Business Solutions and Policy | 1 | - | - | 100% | 100% |
| Commercial Services | 16 | - | - | 100% | 100% |
| Corporate Finance | 16 | - | 100+ | 100% | 94% |
| Legal & Democratic | 5 | - | - | 100% | 80% |
| Personnel | 4 | - | - | 100% | 100% |
| Property Group | 1 | - | - | 100% | |
| Strategic Development & Public Access | 1 | - | - | 100% | 100% |
| TOTAL | 44 | - | - | | |

No figures for Kent Volunteers or the Contact Centre

Local Government
OMBUDSMAN

**The Local Government Ombudsman's
Annual Letter
Kent County Council
for the year ended
31 March 2008**

The Local Government Ombudsman (LGO) provides a free, independent and impartial service. We consider complaints about the administrative actions of councils and some other authorities. We cannot question what a council has done simply because someone does not agree with it. If we find something has gone wrong, such as poor service, service failure, delay or bad advice, and that a person has suffered as a result, the Ombudsmen aim to get it put right by recommending a suitable remedy. The LGO also uses the findings from investigation work to help authorities provide better public services through initiatives such as special reports, training and annual letters.

Annual Letter 2007/08 - Introduction

This annual letter provides a summary of the complaints we have received about Kent County Council. We have included comments on the authority's performance and complaint-handling arrangements, where possible, so they can assist with your service improvement.

I hope that the letter will be a useful addition to other information your authority holds on how people experience or perceive your services.

Two attachments form an integral part of this letter: statistical data covering a three year period and a note to help the interpretation of the statistics.

Complaints received

Volume

In 2007/08, I received 146 complaints against your Council. This represents a slight reduction on the 148 complaints I received in the previous year.

Character

Education continues to produce the largest number of complaints, rising from 65 to 79. The number of complaints about children and family services issues also increased from ten to 22.

Complaints about transport and highways issues fell from 28 to 23. Complaints about planning and building control fell from 27 to two (although the previous year's figure had been inflated by complaints linked to the same issue). Complaints about adult care dropped slightly from 14 to ten.

Decisions on complaints

During the year, we made decisions on 142 complaints against your authority. We found no maladministration in 49 complaints, and we exercised discretion to close a further 23 without requiring action by the Council. We found that 21 complaints were outside my jurisdiction.

Reports and local settlements

A 'local settlement' is a complaint where, during the course of our investigation, the Council has agreed to take some action which we consider is a satisfactory response to the complaint. The investigation is then discontinued. In 2007/08 the Local Government Ombudsmen determined 27% of complaints by local settlement (excluding 'premature' complaints - where councils have not had a proper chance to deal with them - and those outside our jurisdiction).

None of the complaints we investigated this year justified the issue of a report. My office settled 25 complaints. The Council's action to settle complaints included the payment of compensation totalling £6,550.

/...

Social services

One complaint related to adult care services. It concerned the way in which the Council handled an increase in domiciliary charges, contrary to Government guidance. The Council agreed to refund the backdated charge to the complainant. In a further complaint about private housing grants, the Council did not tell an applicant of her right to use her own managing agent, rather than the Home Improvement Agency funded by the Council to oversee adaptation works to her home. The Council acknowledged the complainant's loss of opportunity by paying her £500, and undertook to review its arrangements with the Agency.

Three complaints related to children and family services. In one case, the Council paid the complainant £1,000 to acknowledge its failure to allocate a social worker to her for one year while she was in care. In a second case the Council paid the complainant £100 and apologised for its failure to explain the application process for its adult placement scheme. In a third case, the Council delayed in finding a suitable placement for a young adult, and in considering his parents' complaint about that. This complaint was settled by the Council's relatively swift agreement that the young man could move, on appropriate terms, to supported living when a place became available.

Planning and building control

Five complaints related to the continuation of building work on a new school where the Council had been one of the joint applicants for planning permission. The Council might reasonably have been expected to put a stop to the wrongly sited building, but it delayed in doing so. An application for retrospective planning permission to permit the deviation from the original approval was successful. The Council agreed to pay a total of £1,950 to recognise the complainants' distress at its delay in taking appropriate action.

School admissions

13 complaints related to applications and appeals for admission to Community and Voluntary Controlled schools, where the Council is the admissions authority. In four cases, a school (wrongly, as it was not the admissions authority, but the Council was) offered places to applicants. Another school (which was also not the admissions authority) failed properly to maintain its waiting list. In all five cases, the Council, very properly, offered places to the applicants' children and gave advice to the latter school on how to maintain a waiting list.

In an unusual case, a member of the public was able to obtain information about a child's test results for admission to a selective school, by misleading the Council on the telephone. The Council apologised to the child's mother, and has put in place procedures to prevent a recurrence.

Five complaints were settled by the Council offering to arrange rehearings of appeals by Panels consisting of completely different members and with a different Clerk, and agreeing to be bound by the outcome. Two other complaints were settled by the Council agreeing to the admission of the child to the school in question. These were among complaints where Panels took account of wrong, incomplete, or irrelevant information, or Panels did not fully test whether the Council had correctly applied its admissions arrangements. In some instances, the Council's cases opposing appeals for places in infant classes contained guidance which was more restrictive than was appropriate. In other cases, the Council's composite prospectus for transfers to secondary schools contained inadequate guidance on detailed points, a situation which the Council has agreed to reconsider.

/...

In another case, the Council declined my suggestion that it should admit a child to an infant class where the mother said she had relied, in relation to the distance between her home and a school, on an inaccurate distance on a website sponsored by the Council for that purpose. The Council, as an alternative, arranged a rehearing of the mother's appeal, which was successful. I am pleased that by this means the matter was resolved.

Special educational needs

One complaint concerned the Council's delay over two years in specifying hydrotherapy in a child's statement of special educational needs. The Council agreed to pay £2,000 to recognise the delay and £1,000 to recognise the complainant's time and trouble. The Council also agreed to discuss with the health authority ways of avoiding difficulties in delivering the hydrotherapy.

Your Council's complaints procedure and handling of complaints

During the past year, my office referred 22 'premature complaints' to your Council for consideration, as we did not believe that it had had a full opportunity to deal with them through its own procedures. At 16% of all decisions, this was well below the national average. We do not, however, treat complaints about school admissions and some other educational complaints as premature, because complainants have usually exercised a right of appeal before coming to me.

During that period, four premature complaints were resubmitted to me. I pursued none of these complaints.

Liaison with the Local Government Ombudsman

The Council replies reasonably promptly to my first enquiries about complaints. Last year, the Council's average time for responding to first enquiries was 29.4 days, almost exactly the same average time as the previous year. This remains just outside my target of 28 days, I should be grateful if the Council would do what it can to reduce the time taken to respond to my first enquiries.

We appreciate the regular contact between our offices by telephone, email and fax. This contact saves the time of both our offices and assists complainants.

I note that on occasion the Council, in responding to our enquiries, does not consider as fully as it might whether the Council or an Appeal Panel has been at fault and if so how it might resolve matters. I would encourage the Council to be more proactive in dealing with my enquiries and in identifying settlements where appropriate.

Training in complaint handling

Part of our role is to provide advice and guidance about good administrative practice. We offer training courses for all levels of local authority staff in complaints handling and investigation. This year we carried out a detailed evaluation of the training with councils that have been trained over the past three years. The results are very positive.

/...

The range of courses is expanding in response to demand. In addition to the generic Good Complaint Handling (identifying and processing complaints) and Effective Complaint Handling (investigation and resolution) we now offer these courses specifically for social services staff and a course on reviewing complaints for social care review panel members. We can run open courses for groups of staff from different smaller authorities and also customise courses to meet your Council's specific requirements.

All courses are presented by an experienced investigator so participants benefit from their knowledge and expertise of complaint handling.

I note that in the past year we have run six courses in all for the Council. I hope the Council found these useful. I have enclosed some information on the full range of courses available together with contact details for enquiries and any further bookings.

We run, from time to time, seminars for Council staff who liaise directly with my office. I am pleased that the Council's link officer was able to join the seminar last October.

LGO developments

We launched the LGO Advice Team in April, providing a first contact service for all enquirers and new complainants. Demand for the service has been high. Our team of advisers, trained to provide comprehensive information and advice, has dealt with many thousands of calls since the service started.

The team handles complaints submitted by telephone, email or text, as well as in writing. This new power to accept complaints other than in writing was one of the provisions of the Local Government and Public Involvement in Health Act, which also came into force in April. Our experience of implementing other provisions in the Act, such as complaints about service failure and apparent maladministration, is being kept under review and will be subject to further discussion. Any feedback from your Council would be welcome.

Last year we published two special reports providing advice and guidance on 'applications for prior approval of telecommunications masts' and 'citizen redress in local partnerships'. Again I would appreciate your feedback on these, particularly on any complaints protocols put in place as part of the overall governance arrangements for partnerships your Council has set up.

Conclusions and general observations

I welcome this opportunity to give you my reflections about the complaints my office has dealt with over the past year. I hope that you find the information and assessment provided useful when seeking improvements to your Council's services.

Tony Redmond
Local Government Ombudsman
10th floor, Millbank Tower
Millbank
London SW1P 4QP

June 2008

Enc: Statistical data
Note on interpretation of statistics
Leaflet on training courses (with posted copy only)

Notes to assist interpretation of the LGO's local authority statistics 2007/08

1. Complaints received

This information shows the number of complaints received by the LGO, broken down by service area and in total within the periods given. These figures include complaints that are made prematurely to the LGO (see below for more explanation) and that we send to the council to consider first. The figures may include some complaints that we have received but where we have not yet contacted the council.

2. Decisions

This information records the number of decisions made by the LGO, broken down by outcome, within the periods given. **This number will not be the same as the number of complaints received**, because some complaints are made in one year and decided in the next. Below we set out a key explaining the outcome categories for 2007/08 complaints.

MI reps: where the LGO has concluded an investigation and issued a formal report finding maladministration causing injustice.

LS (local settlements): decisions by letter discontinuing our investigation because the authority has agreed to take some action which is considered by the Ombudsman as a satisfactory outcome for the complainant.

M reps: where the LGO has concluded an investigation and issued a formal report finding maladministration but causing no injustice to the complainant.

NM reps: where the LGO has concluded an investigation and issued a formal report finding no maladministration by the council.

No mal: decisions by letter discontinuing an investigation because we have found no, or insufficient, evidence of maladministration.

Omb disc: decisions by letter discontinuing an investigation in which we have exercised the Ombudsman's general discretion not to pursue the complaint. This can be for a variety of reasons, but the most common is that we have found no or insufficient injustice to warrant pursuing the matter further.

Outside jurisdiction: these are cases which were outside the Ombudsman's jurisdiction.

Premature complaints: decisions that the complaint is premature. The LGO does not normally consider a complaint unless a council has first had an opportunity to deal with that complaint itself. So if someone complains to the LGO without having taken the matter up with a council, the LGO will usually refer it to the council as a 'premature complaint' to see if the council can itself resolve the matter.

Total excl premature: all decisions excluding those where we referred the complaint back to the council as 'premature'.

3. Response times

These figures record the average time the council takes to respond to our first enquiries on a complaint. We measure this in calendar days from the date we send our letter/fax/email to the date that we receive a substantive response from the council. The council's figures may differ somewhat, since they are likely to be recorded from the date the council receives our letter until the despatch of its response.

4. Average local authority response times 2007/08

This table gives comparative figures for average response times by authorities in England, by type of authority, within three time bands.

| Complaints received by subject area | Adult care services | Children and family services | Education | Other | Planning & building control | Public finance | Social Services - other | Transport and highways | Total |
|-------------------------------------|---------------------|------------------------------|-----------|-------|-----------------------------|----------------|-------------------------|------------------------|-------|
| 01/04/2007 - 31/03/2008 | 11 | 22 | 79 | 8 | 2 | 1 | 0 | 23 | 146 |
| 2006 / 2007 | 14 | 10 | 65 | 4 | 27 | 0 | 0 | 28 | 148 |
| 2005 / 2006 | 14 | 15 | 90 | 10 | 8 | 0 | 3 | 15 | 155 |

Note: these figures will include complaints that were made prematurely to the Ombudsman and which we referred back to the authority for consideration.

| Decisions | MI reps | LS | Mi reps | NM reps | No mal | Omb disc | Outside jurisdiction | Premature complaints | Total excl premature | Total |
|-------------------------|---------|----|---------|---------|--------|----------|----------------------|----------------------|----------------------|-------|
| 01/04/2007 - 31/03/2008 | 0 | 25 | 0 | 0 | 49 | 23 | 21 | 22 | 118 | 140 |
| 2006 / 2007 | 1 | 17 | 0 | 0 | 33 | 40 | 25 | 26 | 116 | 142 |
| 2005 / 2006 | 0 | 29 | 0 | 0 | 42 | 37 | 13 | 23 | 121 | 144 |

See attached notes for an explanation of the headings in this table.

Average local authority response times 01/04/2007 to 31/03/2008

| Response times | FIRST ENQUIRIES | |
|-------------------------|------------------------|----------------------------|
| | No. of First Enquiries | Avg no. of days to respond |
| 01/04/2007 - 31/03/2008 | 78 | 29.4 |
| 2006 / 2007 | 62 | 29.5 |
| 2005 / 2006 | 86 | 23.5 |

| Types of authority | <= 28 days % | | | 29 - 35 days % | | | > = 36 days % | | |
|---------------------------|-------------------|------|------|----------------|------|------|---------------|------|------|
| | District Councils | 56.4 | 24.6 | 19.1 | 41.3 | 50.0 | 8.7 | 58.3 | 30.6 |
| Unitary Authorities | 47.1 | 38.2 | 14.7 | 45.5 | 27.3 | 27.3 | 71.4 | 28.6 | 0.0 |
| Metropolitan Authorities | | | | | | | | | |
| County Councils | | | | | | | | | |
| London Boroughs | | | | | | | | | |
| National Park Authorities | | | | | | | | | |

COMPLAINTS AGAINST KCC RECEIVED BY AND DECIDED ON BY LOCAL GOVERNMENT OMBUDSMAN OVER LAST 3 YEARS

(EXCLUDES PREMATURE COMPLAINTS AND ONES OUTSIDE THE OMBUDSMAN'S JURISDICTION)

| Year | | Chief Executives Dept | Children, Families & Education | Communities | Environment & Regeneration | Kent Adult Social Services | Total | Percentage Change from Previous Year | |
|--------------|----------------------------------|-----------------------|--------------------------------|-------------|----------------------------|----------------------------|-------|--------------------------------------|---------|
| | | | | | | | | Kent | England |
| 05/06 | Total Complaints (Decision made) | 3 | 83 | 0 | 11 | 11 | 108 | -15% | -1.5% |
| | Settled Locally | 0 | 26 | 0 | 0 | 3 | 29 | | |
| | Formally investigated | 3 | 57 | 0 | 11 | 8 | 79 | | |
| | Maladministration Found | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 06/07 | Total Complaints (Decision made) | 3 | 57 | 0 | 19 | 12 | 91 | -16% | -0.4% |
| | Settled Locally | 0 | 13 | 0 | 3 | 1 | 17 | | |
| | Formally investigated | 3 | 43 | 0 | 16 | 11 | 73 | | |
| | Maladministration Found | 0 | 1 | 0 | 0 | 0 | 1 | | |
| 07/08 | Total Complaints (Decision made) | 0 | 64 | 1 | 24 | 8 | 97 | +07% | -1.7% |
| | Settled Locally | 0 | 17 | 0 | 6 | 2 | 25 | | |
| | Formally investigated | 0 | 47 | 1 | 18 | 6 | 72 | | |
| | Maladministration Found | 0 | 0 | 0 | 0 | 0 | 0 | | |

GUIDANCE ON UNREASONABLY PERSISTENT AND VEXATIOUS COMPLAINANTS



Introduction

Generally, dealing with a complaint is a straightforward process, but in a minority of cases, people pursue their complaints in a way which can either impede the investigation of their complaint or can have significant resource issues for the Council. This can happen either while their complaint is being investigated, or once the Council has finished dealing with the complaint.

It is important to distinguish between:

- people who make a number of complaints because they really think things have gone wrong
- people who make unreasonably persistent complaints.

If the complainant is persisting because his complaints have not been considered in full then we must address this (normally by invoking the next stage of the complaints procedure).

However, if the Council has already done so and has demonstrated this to the complainant, then we need to consider whether the complainant is now inappropriately persistent.

Principles

The Council is committed to dealing with all complaints equitably, comprehensively and in a timely manner. It does not normally limit the contact which complainants have with Council staff and offices. The Council does not expect staff to tolerate unacceptable behaviour which is abusive, offensive or threatening and will take action to protect staff from such behaviour.

Aim of guidance

The aim of this guidance is to contribute to the Council's overall aim of dealing with all complainants in ways which are demonstrably consistent and equitable.

It sets out how the Council will decide which complainants will be treated as vexatious or unreasonably persistent, and what the Council will do in those circumstances.

This guidance runs alongside existing corporate policies and guidance relating to equalities, health & safety and dignity and respect at work and should only be pursued where absolutely necessary.

Definition of unreasonably persistent and vexatious complainants

The Council defines unreasonably persistent and vexatious complainants as those complainants who, because of the frequency or nature of their contacts with the Council, hinder the Council's consideration of their or other people's

complaints. The descriptions 'unreasonably persistent' and 'vexatious' may apply separately or jointly to a particular complainant.

There is a difference between 'unreasonably persistent' and 'vexatious' complainants.

A vexatious person in this context is someone who is not seeking to resolve a dispute between themselves and the Council but is seeking to cause unnecessary aggravation or annoyance to the Council.

Unreasonably persistent complainants or vexatious complainants may have justified complaints or grievances but are pursuing them in inappropriate ways. Alternatively, they may be intent on pursuing complaints which appear to have no substance or which have already been investigated and settled. Their contacts with the Council may be amicable but still place very heavy demands on staff time, or they may be distressing for all involved.

Actions and Behaviours

These are some of the actions and behaviours of unreasonably persistent complainants and vexatious complainants which the Council may experience. A combination of some of these trigger actions may cause this policy to be invoked depending on the specific case by case circumstances. This list is not exhaustive and one single feature on its own will not necessarily imply that a person will be considered persistent and/or vexatious

1. refusing to specify the grounds of a complaint, despite offers of assistance with this from staff
2. refusing to co-operate with the complaints investigation process while still wishing their complaint to be resolved
3. refusing to accept that issues are not within the remit of a complaints procedure despite having been provided with information about the procedure's scope
4. refusing to accept that issues are not within the power of the Council to investigate, change or influence (examples could be something that is the responsibility of another organisation
5. making what appear to be groundless complaints about the staff dealing with the complaints, and seeking to have them replaced
6. changing the basis of a complaint as the investigation proceeds and/or denying statements he or she made at an earlier stage
7. introducing trivial or irrelevant new information which the complainant expects to be taken into account and commented on, or raising large numbers of detailed but unimportant questions and insisting they are all fully answered
8. electronically recording meetings and conversations without the prior knowledge and consent of the other persons involved
9. persistently approach the Council through different routes about the same issue
10. adopting a 'scattergun' approach; pursuing a complaint(s) with the Council and at the same time with a department, the Chief Executive, an M.P., Councillor, Auditor, Standards Board, Police, Solicitors or the Local Government Ombudsman

11. making unnecessarily excessive demands on the time and resources of staff whilst a complaint is being looked into, by for example excessive telephoning or sending emails to numerous council staff, writing lengthy complex letters every few days and expecting immediate responses
12. submitting repeat complaints after the complaints process has been completed, essentially about the same issues, with additions/variations which the complainant insists make these 'new' complaints which should be put through the full complaints procedure
13. refusing to accept the decision – repeatedly arguing the point and complaining about the decision

Being reasonable

Raising legitimate queries or criticisms of a complaints procedure as it progresses, for example if agreed timescales are not met, should not in itself lead to someone being regarded as a vexatious or an unreasonably persistent complainant.

Similarly, the fact that a complainant is unhappy with the outcome of a complaint and seeks to challenge it once, or more than once, should not necessarily cause him or her to be labelled vexatious or unreasonably persistent.

The Council will offer the complainant appropriate support, as it would any other customer.

It may be helpful to both parties if the complainant has an advocate. If the complainant feels that they would like an advocate, the Council must consider offering to help find an independent one. If the complainant has specific needs, the Council will offer relevant support. There are specialist bodies (such as the Royal National Institute for the Blind, Age Concern) which the Council can contact for advice and help

The decision

Before making the decision, some or all of the following steps need to be taken:

- The Council will ensure that the complaint is being, or has been, investigated properly according to the Council's complaints procedure
- Although each complaint is unique, the Council will deal with the complaint in line with other complaints of a similar nature in order to apply a consistent approach
- The Council will contact the complainant to:
 - discuss his or her behaviour
 - explain why this behaviour is causing the Council concern
 - ask him or her to change this behaviour
 - explain about the actions that the Council may take if his or her behaviour does not change

- If the complainant has not already had a meeting about the complaint with a member or members of staff, and provided that the Council knows nothing about the complainant which would make this inadvisable, the Council will consider offering the complainant a meeting with a member of staff of appropriate seniority. Sometimes such meetings can dispel misunderstandings and move matters towards a resolution.

The decision to declare a complainant as unreasonably persistent and/or vexatious will be an exceptional step, and should be made by the Resource Director/ Monitoring Officer/ Head of Service who has not been directly involved in the complaint or with the complainant. They should make a written note of the considerations and decisions.

The complainant should be told in writing:

- why we believe their behaviour falls into that category
- what action we are taking
- the duration of that action
- how the complainant can challenge the decision if they disagree with it (this should normally include information regarding the Local Government Ombudsman, see Appendix A).

Options

The precise nature of the action should be appropriate and proportionate to the nature and frequency of the complainant's contacts with the Council at that time.

The following is a list of possible options:

- Placing time limits on telephone conversations and personal contacts.
- Restricting the number of telephone calls that will be taken (for example, one call on one specified morning/afternoon of any week)
- Limiting the complainant to one medium of contact (telephone, letter, email etc.) and/or requiring the complainant to communicate only with one named member of staff
- Requiring any personal contacts to take place in the presence of a witness
- Refusing to register and process further complaints about the same matter
- Banning a complainant from one or more Council premises
- Where a decision on the complaint has been made, providing the complainant with acknowledgements only of letters, faxes, or emails, or ultimately informing the complainant that future correspondence will be read and placed on the file but not acknowledged. A designated officer should be identified who will read future correspondence
- Where a complainant's complaint is closed and the complainant persists in communicating about it, it may be decided to terminate contact with that complainant.

These options are not exhaustive and often local or other factors will be relevant in deciding what might be appropriate action. For instance, any arrangements for limiting a complainant's contact must take account of the complainant's individual circumstances, bearing in mind such issues as age, disability, gender, race and religion or belief.

Where the behaviour is so extreme that it threatens the immediate safety and welfare of staff, the Council will consider other options, for example reporting the matter to the police or taking legal action. In such cases, the Council may not give the complainant prior warning of that action.

Further actions

Adequate records of all contacts with unreasonable persistent and vexatious complainants must be kept and information needs to be shared on a 'need to know' basis only in order for staff to carry out their role at work.

Personal details about the complainant and about the complaint will be managed and stored appropriately in line with data protection and records management principles and procedures.

When unreasonable and unreasonably persistent complainants make complaints about new issues these should be treated on their merits, and decisions will need to be taken on whether any restrictions which have been applied before are still appropriate and necessary.

Reviews of decisions to restrict a complainant's contacts or the Council's responses to them, should be taken by the Complaints Manager/ Resource Director/ Monitoring Officer/ Head of Service

Source documents:

LGO Guidance on persistent and unreasonably persistent complainants

Information Commissioner's guidance on vexatious requests

Hantsnet – corporate policy on dealing with difficult/vexatious complainants

Referring unreasonable and unreasonably persistent complainants to the Local Government Ombudsmen

In some cases, relations between unreasonable and unreasonably persistent complainants break down badly while complaints are under investigation and there is little prospect of achieving a satisfactory outcome. In such circumstances there is often little purpose in following through all stages of the Council's complaints procedure and where this occurs the Ombudsman may be prepared to consider complaints before the Council's complaints procedures have been exhausted. This is the case even in respect of statutory complaints procedures.

A complainant who has been designated an unreasonably persistent complainant may make a complaint to the Ombudsman about the way in which he or she has been treated. The Ombudsman is unlikely to be critical of the council's action if it can show that its policy has been operated properly and fairly.

In extreme cases the council may consider the following actions:

- referring the complaint to the Local Government Ombudsman before the complaints procedure has been exhausted
- advising the complainant that it cannot assist further and informing them of their right to approach the Local Government Ombudsman.

The distinction between the two options above is that early referral to the Local Government Ombudsman is a positive action that can only be undertaken in agreement between the KCC and the complainant. This is therefore the less likely option with persistent complainants.

Option 2 may arise where the KCC does not agree with the complainant that the complaints are substantively valid and the two parties disagree on the way forward. This is more likely with a persistent complainant.

Should the authorised manager take this option, do not contact the Local Government Ombudsman directly, but indicate to the complainant that he may make this approach and confirm to the complainant that the council is not responding to the complaint further.

The Local Government Ombudsman is likely to apply the test of reasonableness over our response in a similar manner to an early referral and will have a range of options open to him.

By: Charles Findlay, Chairman of Governance and Audit Committee
Amanda Beer, Director of Personnel and Development

To: Governance and Audit Committee **Date:** 4 March 2009

Subject: **Health Well-Being & Attendance (HWA) Action Plan**

Classification: **Unrestricted**

SUMMARY: The HWA Action Plan 2006-10 was developed with the aim of improving attendance through better process, entitlements, interventions and communication. This report is a summary of achievement to date and activity planned.

1 Introduction

1.1 Managing health at work is a major challenge for most organisations and striking the balance between acceptable levels of sickness and maintaining productivity is the key to any effective attendance management strategy. The Corporate Governance Performance Indicator report to Governance and Audit Committee on 2 December 2008 prompted members to request a report on the management of attendance in KCC.

1.2 As part of our Strategy for Staff, KCC has always considered health and well-being as important with respect to our organisational capacity. The areas of health and safety, occupational health, well-being, sickness processing and providing management advice remain a part of core business for Personnel & Development. The introduction of the HWA Action Plan in 2006 represented a co-ordinated and concerted effort to bring together these strands through four key elements: process, intervention, entitlements and improvements with the overarching aim of improving attendance and reducing sickness. It also recognises the contributory impact of organisational culture and the employment offer on attendance and the impact of good, consistent managerial practice.

1.3 The delivery of the HWA Action Plan is contingent on the collaboration and co-operation of managers. P&D's role in developing the plan has been to generate the impetus necessary to change in the way health and attendance is managed.

2 Main challenges for KCC in 2006

2.1 When the HWA Action Plan was launched in 2006, there were a number of challenges facing the Authority in relation to its management of absence. Key amongst these was the need to

- Strengthen the confidence of the management population in handling complex cases
- Maintain the profile of managing health and attendance well as part of good people management

- Enhance and improve reporting systems
- Promote the use of the existing control framework (referral triggers)
- Get the best Occupational Health guidance for each circumstance
- Recognise the top reason for long term sickness was 'organic nervous disease', often stress or mental health issues
- Remove obsolete categories of reasons for sickness
- Ensure better co-ordination of specialist advice to managers
- Improve the overall analysis of the reasons for sickness absence
- Recognise the national focus on public sector sickness
- Achieve and support improvement with no additional funding allocation
- Cope with the highest volume of activity in terms of casework

3 The Approach

3.1 Changing the way sickness is viewed and managed in an organisation requires a fundamental shift and commitment at all levels. KCC's performance in general terms (using BVPI indicators) has been slightly better than average and in terms of public sector overall the comparison has been largely positive. Research in other areas of industry showed that the context largely determined the approach to sickness management and that levels of sickness varied enormously in the private sector depending on the service area. There were also examples of incentive schemes and the use of private medical insurance (PMI) to improve absence and reduce its economic impact.

3.2 Without the benefit of incentives or PMI KCC needed to take a longer term approach to achieve any kind of sustained change in the way health at work is regarded and managed.

3.3 A seminar for over 60 people involved in all aspects of advising on the management of absence or involved in the processing of sickness took place in July 2006 at which they heard about attendance issues from a panel that included KCC's Occupational Health Physician, Well-Being Manager, Corporate Health and Safety Manager and Policy Manager. Personnel staff, Health & Safety Advisers, Occupational Health Advisers, Schools Personnel Service and others contributed through this seminar to the development of the approach to be taken to change the way KCC approaches the management of health at work.

3.4 Priorities for the remainder of 2006-7 included:

- Devising a jointly agreed protocol for the management of complex health or disability cases, jointly agreed with Trade Unions that has resulted in more co-ordinated and targeted advice for managers.
- Modernisation of sickness reporting categories and the development of on-line and self-service sickness reporting
- Delivery of legal updates on case law judgement concerning sickness and disability to 50 Personnel Officers
- Sickness reporting to managers strengthened with follow up by P&D to ensure trigger points were observed and appropriate actions in train.

- Development of automated email alerts to managers
- Investment in positive management of mental health training for managers and review of Well-Being Action Plan
- Introduction of carer leave pilot (June 2007)
- Developing a programme of refresher training for managers on managing sickness

3.5 A HWA group was set up to review progress against the action plan and to be kept up to date with developments. The group meets monthly and is led by the Policy Manager, Corporate Employee Relations, the Corporate Health and Safety Manager and the Organisational Well-Being & Performance Manager.

4 Key Achievements to date

This approach has led to a number of measurable achievements thus far.

- Reduced Long Term Absence** - One of the most significant achievements to date under the plan has been the on-going reduction of long term sickness absence attributed to the concerted efforts of P&D staff to support managers in dealing with these cases. Cases of continuous sickness of 4 months or more have been reduced by 30% in a year (2007/8), see appendix 1, simply by actively encouraging managers to manage using the existing control framework.
- Better sickness reporting** - on-line sickness reporting went live in March 2008 which has not only achieved productivity savings in terms of processing time but will also provide a clearer picture of the causes and patterns of absence.
- Better Management of sickness absence** – managers in all directorates receive monthly sickness statistics and are actively supported by P & D to achieve timely outcomes including redeployment, dismissal or termination of contract by other means. Refresher training for managers has resulted in a higher level of 'casework' on sickness absence overall.
- Profiling** – part of the on-going monitoring of sickness absence has included an analysis of sickness by grade, age, length of service and gender to help identify the best ways of targeting interventions.

5 Impact

5.1 The impact of the actions implemented to date has been largely positive organisationally - we are seeing a significant and maintained reduction in long term sickness absence and much more consistent management practice in the handling of health issues. Many managers have responded positively to P&D support in this area and are gaining in confidence and willingness to tackle absence.

5.2 The greater focus on managing attendance however has not been well received by all and this has been particularly evident in the last six months when the attention has shifted to the management of short term absence. Trades Unions, individuals, staff groups and some managers have all made representations about the approach to attendance management being taken either formally or informally. We are taking board all concerns raised and reviewing specific circumstances and challenges as they arise.

5.3 It is true to say that the approach KCC is taking with respect to the monitoring and management of sickness absence is more robust and consistent than ever before but there is no change to the policy or procedure. Our achievements to date are attributable in the main to the efforts of P&D to support managers and staff to achieve better outcomes and must be considered alongside the considerable efforts to develop a well-being programme that continues to offer health specific support to managers and staff.

6 Examples of Planned Activity

Action is on-going and the following are examples of planned activity:

- Review of stress management policy
- Development of rehabilitative work placements
- Implementation of Work & Well-Being Framework
- Implementation of Flexible Working Policy
- Implementation of automated alerts for managers
- Examination of currency of KCC's sick pay scheme
- Development of the Total Reward Statement
- Development of management training and guidance

Full details of the Health Well-Being & Attendance Action Plan is in Appendix 2

7 Summary

7.1 To sustain and capitalise upon the improvements we have achieved to date KCC managers need to appreciate the on-going impact of health on work and capacity and to be kept up to date with the range of interventions available to them. Whilst some sickness is to be expected and understandable there is much an organisation can and should do to support good health, well-being and work attendance.

7.2 The HWA Action Plan, Work & Well-Being Plan and Health and Safety Plan all contribute to the efforts to support KCC and its managers to achieve this.

Recommendations

Governance and Audit Committee is asked to acknowledge the work underway to address health, well-being and attendance.

Nicola Lodemore
Employment Policy Manager

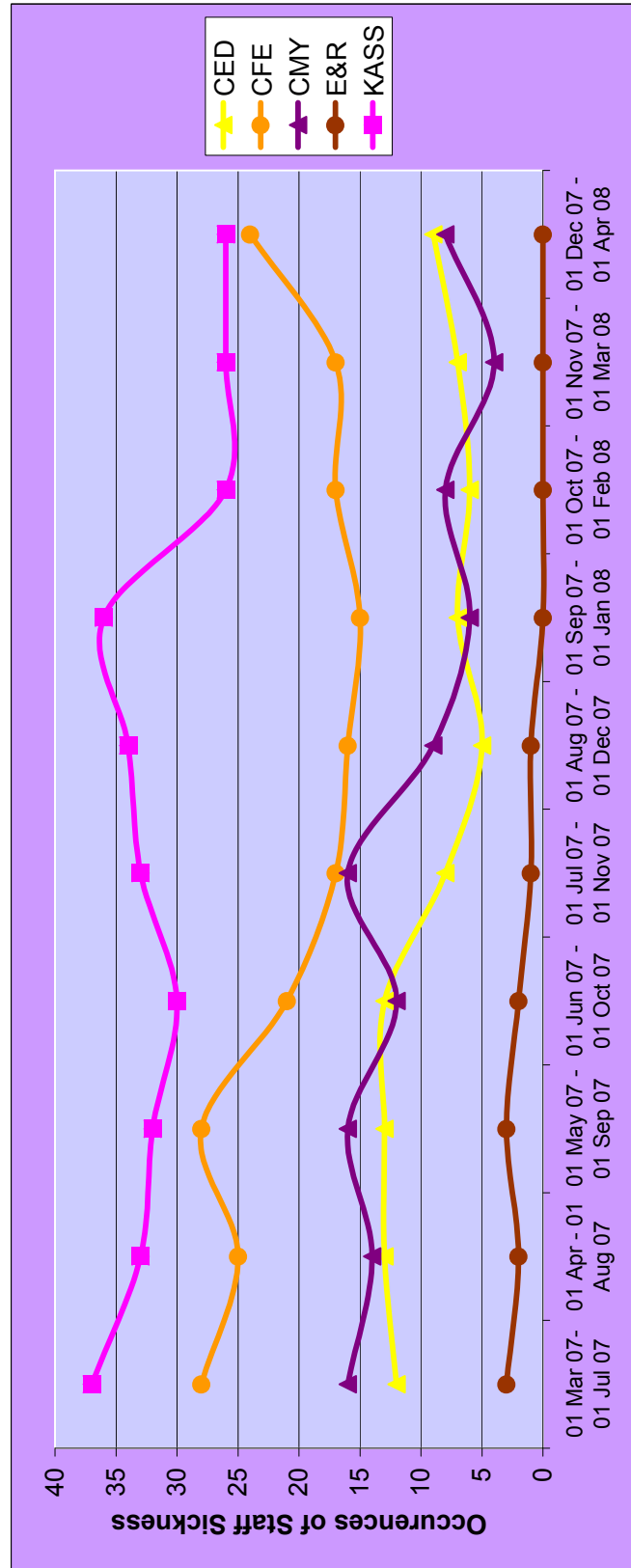
Amanda Beer
Director of Personnel & Development

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Appendix 1

Staff Occurrences of Sickness for Consecutive Four Month Periods by Directorate

| | 01 Mar 07 - 01 Jul 07 | 01 Apr - 01 Aug 07 | 01 May 07 - 01 Sep 07 | 01 Jun 07 - 01 Oct 07 | 01 Jul 07 - 01 Nov 07 | 01 Aug 07 - 01 Dec 07 | 01 Sep 07 - 01 Jan 08 | 01 Oct 07 - 01 Feb 08 | 01 Nov 07 - 01 Mar 08 | 01 Dec 07 - 01 Apr 08 | Total % Change |
|--------------|--------------------------|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------|
| CED | 12 | 13 | 13 | 13 | 8 | 5 | 7 | 6 | 7 | 9 | -25.0% |
| CFE | 28 | 25 | 28 | 21 | 17 | 16 | 15 | 17 | 17 | 24 | -14.3% |
| CMY | 16 | 14 | 16 | 12 | 16 | 9 | 6 | 8 | 4 | 8 | -50.0% |
| E&R | 3 | 2 | 3 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | -100.0% |
| KASS | 37 | 33 | 32 | 30 | 33 | 34 | 36 | 26 | 26 | 26 | -29.7% |
| Total | 96 | 87 | 92 | 78 | 75 | 65 | 64 | 57 | 54 | 67 | -30.2% |



Source: Oracle C03 Reports

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Health Wellbeing and Attendance Plan 2006 - 10

| HWA Priority One | | Process | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------|---------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Build a process for attendance management that is clear, integrated, accurate and utilised fully by managers to manage health at work | | | | | | |
| Objective 1 | | | | | | |
| Improve the quality and accuracy of sickness reporting making data more robust and reliable. | | Who? | Time | Tasks/Outcomes | Impact | |
| Page 273 | 1.1.1 | Review sickness reporting & monitoring systems | JS / NL / Reps | Dev -Summer 07 Imp – April 08 | <ul style="list-style-type: none"> • Sickness report categories revised to align with OMAS • Accidents recorded on revised form • Implement pilot of categorisation • Reduce processing time for sickness • Assess prospects for work streaming • Ensure separate recording of DDA sickness – clear process • Set annual target for sickness absence, monitor and review progress post BVPI requirements | <ul style="list-style-type: none"> • Comparison of HR and OH sickness trends possible • Correlation between incident and sickness reporting is good • Managers better able to process sickness absence • ES input time on sickness adjustments reduced. Greater reasons detail available • Provide sickness guidance and better links |
| | 1.1.2 | Improve management accountability for reporting and absence management. | BS NL/OH/BS NL/BS | On-going 07-09 07-08 | <ul style="list-style-type: none"> • Managers receive monthly sickness reports from Business Support • Short 'refresher' sessions delivered for all managers • Monthly long term absence reports followed up by directorates • Good links between | <ul style="list-style-type: none"> • Managers constantly aware of impact • New managers adopt KCC regime • BS continuously aware of levels • Relationship between incidents and sickness clear. |

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| | | | |
|--|--|--|------------------------------------------------------------------------------------------------------------------------------------|
| | | | accidents and sickness made by managers <ul style="list-style-type: none"> Promote appropriate early referral to OH |
|--|--|--|------------------------------------------------------------------------------------------------------------------------------------|

HWA Priority One

Build a process for attendance management that is clear, integrated, accurate and utilised fully by managers to manage health at work

| Process | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective 2 | Responsibility | Time | Tasks/Outcomes |
| Strengthen management response to attendance issues | | | Impact |
| 1.2.1 Page 2 Ensure all new managers are inducted in attendance and other people management challenges | ERMS / Directorate Business Support | From Sept 07 (?) | <ul style="list-style-type: none"> 'People Management' element of induction includes focus on attendance New managers adopt KCC regime |
| 1.2.2 Promote and enhance training opportunities including <ul style="list-style-type: none"> * attendance management * positive mgt of mental health * speed surgeries * stress/pressure mgt | NL / Business Support/SCS/L&D | From Sept 07 | <ul style="list-style-type: none"> Enhance Attendance Management Training promoted for non-schools managers from Sept 07 and training for HT promoted through SPS Bulletins Develop confidence in managing staff with mental health issues (thorough training) positive mgt of mental health well course oversubscribed Managers have up-to-date understanding Staff with mental health issue have better experience – managers handling cases involving mental health well |

| | | | |
|--------------------------------------------------------------|--------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------|
| 1.2.3 Build management confidence in handling long term / | Business Support/SCS/CDT | On-going | <ul style="list-style-type: none"> Improved focus and completeness of OH OH advice detailed and relevant to case |
|--------------------------------------------------------------|--------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------|

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|-------------------|--------------------------------------------------------------------------|----------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | complex attendance problems | | | <p>referrals made by managers</p> <ul style="list-style-type: none"> • Referrals occurring at trigger points • Case Management Model promoted and used appropriately • Additional targeted support available for high priority areas • Provide guidance on managing diversity issues e.g. disability | <ul style="list-style-type: none"> • Early, appropriate referrals take place 'long-term' sickness reduced • Co-ordinated approach used handle complex health cases. • Relationship between BS/OH collaborative • Organisational resources directed at 'hotspots' |
| 1.2.4 Page 275 | Delivery of risk assessed, timely advice to aid managers decision making | NL / Business Support / OH / HSA | On-going | <ul style="list-style-type: none"> • Business Support kept up to date with relevant case law (Update sessions) • Develop good collaboration between management advisers (OH / HS / BS) | <ul style="list-style-type: none"> • Personnel advice and knowledge current and consistent • Managers receive 'joined up' advice from a single source • Professional advice gives full consideration to business requirements |
| 1.2.5 | Promote positive attendance management models | Business Support/Core Group | In development | <ul style="list-style-type: none"> • New managers 'buddied' with good people managers • Senior managers to discuss attendance management during 1:1 | <ul style="list-style-type: none"> • New managers receive good support • Managing attendance has same value as other management responsibilities |

HWA Priority Two

Review, investigate and reframe entitlements to achieve optimum attendance contributing to better work-life balance and organizational aims.

Entitlements

Objective 3

Responsibility

Time

Tasks/Outcomes

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| Review current absence trends | | | | Impact |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.3.1 Examine attendance trends in KCC | NL / Core Group | Ongoing | <ul style="list-style-type: none"> • Maintain an accurate picture of <ul style="list-style-type: none"> - reasons for sickness/poor attendance - use of other leave provisions • Develop an appreciation of relative value of current entitlement/benefits for staff | <ul style="list-style-type: none"> • Trends, hotspots and areas for review known • KCC can target its attentions to elements that will enhance its 'offer' data |
| 2.3.2 Analyse use of entitlements and benefits by category of employee (age, gender, ethnicity, Disability job type) | NL / Core Group | Annually | <ul style="list-style-type: none"> • Identify possible deficiencies or obsolete provisions identified and potential areas for rationalisation / enhancement identified | <ul style="list-style-type: none"> • Efficiencies achieved and feeds into pay bargaining |
| 2.3.3 Compare KCC data with other organisations | NL / Core Group | On-going | <ul style="list-style-type: none"> • Research other organisations absence management data public and private sector | <ul style="list-style-type: none"> • KCC's performance known. |
| Objective 4 | | | | |
| Investigate Best Practice and Staff Preferences | | | | |
| 2.4.1 Research evidence based best | NL / <u>EM</u> / Core Group | On-going | <ul style="list-style-type: none"> • Identify potential | <ul style="list-style-type: none"> • HWA approach always reflects |

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| | | | | | |
|--------------|----------------------------------------------------------------------------|---------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| | <p>practice in absence management, health and wellbeing in all sectors</p> | | | <p>development areas and deficits in 'own' offer</p> <ul style="list-style-type: none"> Identify potential for partnership/ collaborative working and build on links established by work & wellbeing e.g. health, police, schools | <p>best practice and is dynamic</p> <ul style="list-style-type: none"> Efficiencies and enhancements achieved |
| <p>2.4.2</p> | <p>Assess employees opinions regarding health and wellbeing at work</p> | <p>NL / EM/Core Group</p> | <p>Annually</p> | <ul style="list-style-type: none"> Staff survey data used to test employee response. Evaluation of work & wellbeing activity from representative group, staff and feedback from wellbeing mailbox | <ul style="list-style-type: none"> KCC incorporates staff perspective in HWA development areas |

Health Wellbeing and Attendance Plan 2006 - 10

| Objective 5 Reframe the entitlements policies and procedures to align strategically with broad organisational aims | Responsibility | Time | Tasks/Outcomes | Impact |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.5.1 Devise and implement contractual enhancements that can impact upon attendance and health (and incorporate priorities as part of Public Health Agenda) | ALL | On-going | <ul style="list-style-type: none"> • Implementation of Carer and Paternity Leave pilot implemented (NL) • Adoption Leave in place (Apr 07) • Revision of Career Break / Sabbatical revised • Review of Smoking Policy (Dec 06) • Introduction of new Flexible Working Policy • Introduction of Respect and Dignity at Work statement | <ul style="list-style-type: none"> • Carers of all kinds acknowledged and supported • KCC's Smoking Policy reflects the law and best practice • Facility to work flexibly widely understood • KCC's communicates its expectation for the treatment of its staff • Staff record all incidents • KCC's wellbeing activities relate to identified needs |

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| | | | | | |
|-------------------|-----------------------------------------------------------------------|----------------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.5.2 | Re-promote facilities within the organisation that enhance attendance | Business Support/ EM/ SCS/Management Population | On-going | <ul style="list-style-type: none"> • Deliver Wellbeing activity including fit4health programme • Maintain awareness of routes for resolving disputes, raising complaints and support services • Promote Support Line Services & Health check programme • Work & Wellbeing fit4health presented as best practice at national conference | <ul style="list-style-type: none"> • Ongoing dialogue between managers and staff about wellbeing. • Staff have facility to address fitness through work • KCC staff able to raise concerns and report incidents easily. |
| 2.5.3 Page 279 | Review (ER) statistics and data regularly | NL/ERMs/Core Group | On-going | <ul style="list-style-type: none"> • Maintain ongoing appreciation of the number and types of issues being raised by staff | <ul style="list-style-type: none"> • KCC able to identify trends in dispute resolution quickly |
| 2.5.4 | Review contractual sick pay provisions | NL / Core Group / Business Support | In development | <ul style="list-style-type: none"> • Review probationers access to contractual scheme • Model alternative entitlement structure | <ul style="list-style-type: none"> • Probation used positively to support selection decisions • Alternatives to current contractual provision explored |

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HWA Priority Three Develop the range of organizational interventions to increase productivity

Interventions

| Objective 1 Develop practice and direct resources according to identified needs | Responsibility | Time | Tasks/Outcomes | Impact |
|------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1.1 | OH/NL/Core Group | 2006 | <ul style="list-style-type: none"> Protocol agreed, in place and used appropriately | <ul style="list-style-type: none"> 'Joined Up' advice provided to managers |
| 3.1.2 | EM | 07/08 & 08/09 09/10 | <ul style="list-style-type: none"> Well-being actions focused on increasing exercise and reducing obesity (07/08) Design & deliver 09/10 wellbeing action plan to address priority areas | <ul style="list-style-type: none"> KCC staff see positive effects on health and take proactive steps to manage health issues Resources targeted to priority areas from mgt intelligence |
| 3.1.3 | Business Support / NL / OH/ Support Line Services | On-going On going On going | <ul style="list-style-type: none"> Encourage managers to facilitate effective return to work reviews Examine the feasibility of rehabilitative placements/temporary redeployment Continue fast track intervention for physio Assess business case for utilising CBT (cognitive behaviour therapy) | <ul style="list-style-type: none"> Return to Work reviews take place for <u>all</u> staff Staff on long term sick are placed in work of some kind Absence reduced for these conditions |

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|-------|------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1.4 | Establish feasibility of a 'multi-disciplinary, rapid response approach (core group) | ALL | Deferred Spring 09 | <ul style="list-style-type: none"> • Reduce delay in managing attendance in priority cases • Targeted Resource solutions | <ul style="list-style-type: none"> • Funding or support needed is made available • KCC responds proactively to identified need |
| 3.1.5 | Promote and enhance interventions to support early conflict resolutions and assisting staff under pressure | EM/SCS/NL | On going March 08 08/09 | <ul style="list-style-type: none"> • Promote SCS (Mediation, counseling diagnostic servicers • Dedicated phone line in place at KCC call centre to sign post staff in support of D&R and ethical standards • Enhance management training in dispute resolution • Provide mgt training handling difficult conversations | <ul style="list-style-type: none"> • Staff are aware of and able to access right support when incidents occur • KCC management population able to manage disputes confidently |

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HWA Priority Four

Develop strategy for raising and maintaining the profile of health well-being and attendance

Communication

| Objective 1 | Responsibility | Time | Tasks/Outcomes | Impact |
|------------------------------------------------------------------------------------|--------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Communicate HWA activity to Members, Managers and staff</p> <p>4.1.1</p> | All | On going | <ul style="list-style-type: none"> Agree strategy Maintain currency of plan Monitor achievement | <ul style="list-style-type: none"> Strategic plan agreed and dynamic Plan remains relevant to the KCC HWA profile Achievements reported to DMTs and others |
| <p>4.1.2</p> | NL/EM/HB/Committees | On-going | <ul style="list-style-type: none"> Provide narrative to accompany BVPI results (reduction in sickness absence) Work & Wellbeing action plan endorsed by workforce strategy board | <ul style="list-style-type: none"> Members and others understand the context of BVPI results and HWA activity |
| <p>4.1.3</p> | Core Group | On-going | <ul style="list-style-type: none"> Develop links with others to achieve better health at work practices | <ul style="list-style-type: none"> Public and related sector practice enhanced |
| <p>4.1.5</p> | NL/EM/ES ES/RP/Oracle | In development On going | <ul style="list-style-type: none"> Enhance payslips include number of days sick Develop 'self service' for sickness reporting Enhance health Promotion activity to encourage healthy lifestyle | <ul style="list-style-type: none"> Staff self monitor on absence Reporting accurate and owned by managers and staff <p>People take more accountability for their own health and well-being</p> |

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|-------|----------------------------------------|-----|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| 4.1.6 | Promote positive attendance management | ALL | Spring 09 In development | <ul style="list-style-type: none"> • Offer 'Speed Surgeries' for managers on managing attendance/performance • Revised Guidance on attendance management for schools | (reduced sickness) |
| | | | | | Management population proficient at managing attendance and understand its place in managing performance |

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