Subject: **Annual Report on Risk Management Arrangements 2021/2022**

Report to: **Management Team – 06 July 2022**

Audit and Risk Committee – 25 July 2022

Report by: **Kaye Bate, Corporate Risk Officer**

SUBJECT MATTER/RECOMMENDATIONS

This report provides details of the key risk management developments during 2021/2022 for the committees' review.

This report will provide a significant source of evidence to enable the Committee to approve the Annual Governance Statement.

Recommendation - The Committee is requested to note and approve the annual report on the Council's risk management arrangements.

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1.   **INTRODUCTION/BACKGROUND**

1.1   The purpose of this report is to provide an annual report of key risk management developments across the Council over the last 12 months for the committees' review.

1.2   The Chief Executive has strategic responsibility for risk management, supported by the Management Team who act as the Council's strategic risk management group.

1.3   Heads of Service and Directors direct the risk management process in their service areas.

2.   **ANNUAL RISK MANAGEMENT REPORT**

2.1   This report will provide a significant source of evidence to enable the Committee to approve the Council's Annual Governance Statement.

2.2   The report will also help to inform the Committee's view of the adequacy of the Council's risk management arrangements and as such allow it to fulfill its responsibility outlined in its terms of reference.

3.   **FINANCIAL IMPLICATIONS**

3.1   None.

4.   **RISK IMPLICATIONS**

4.1   See attached report.

5. **CONCLUSIONS**

5.1   Over the last year the Corporate Risk Officer and the Management Team has undertaken further steps towards establishing the Risk Management Framework which together with the culture ensures effective and consistent risk management is an integral part of the authority's activities.

5.2   Fundamental to the successful implementation of risk management is an adherence to the principles as set out within the framework. At the time of writing, there are no significant non-compliance issues to report with regards to corporate risk management.

5.3   Whilst this AGS makes an assessment of the governance in place during 2021/22, the Coronavirus pandemic has impacted the financial, operational performance and workforce of the Council at the end of the 2019/2020 financial year, more so in 2020/2021 and into 2021/2022.

5.4   An Internal Audit report on the Risk Management arrangements in the council was undertaken during the financial year where the Risk Management overall assurance assessment was deemed Reasonable Reassurance.

6   **BACKGROUND PAPERS**

Areas of consideration: e.g., does this report raise any of the following issues and if so, how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation	No
Section 151 Officer Consultation	No
Existing Council Policies	No
Financial Implications within existing budgets	No
Legal Implications (including human rights)	No
Risk Implications	See attached report
Equality Issues/EQIA assessment	No
Details contained in strategy	
Crime & Disorder	No
Every Child Matters	No

Annual Report on Risk Management Arrangements 2021 / 2022

Executive Summary

Over the last year the Council has continued to improve and embed its risk management arrangements.

This report provides details of the key risk management developments during 2021/2022 for the committees' review.

This report will provide a significant source of evidence to enable the Committee to approve the Annual Governance Statement.

1. Purpose of the report

The purpose of this report is to provide an annual report of key risk management developments across the Council over the last 12 months. This provides the Committee with a significant source of evidence to approve the Council's Annual Governance Statement.

The report will also help to inform the Committee's view of the adequacy of the Council's risk management arrangements and as such allow it to fulfill its responsibility outlined in its terms of reference.

2. Background

The Chief Executive has strategic responsibility for risk management, supported by the Management Team who act as the Council's strategic risk management group.

Heads of Service and Directors direct the risk management process in their service areas.

Over the last year the Corporate Risk Officer, Corporate Risk Group and Management Team has undertaken further steps towards establishing the Risk Management Framework, which together with the culture ensures effective and consistent risk management is an integral part of the authority's activities.

3. Main Issues

Fundamental to the successful implementation of risk management is an adherence to the principles as set out within the framework. At the time of writing, there are no significant non-compliance issues to report with regards to corporate risk management.

The steps taken to embed risk management across the Council are described below.

a. **Risk Management Framework**

The Risk Management Framework is published on the Councils website, under Your Council / Council Policies, Strategies and Plans / Policies and Strategies. The Risk Management Framework was last reviewed in December 2021.

The framework is reviewed every three years (or more frequently if required by changes to statutory legislation) and relevant parties consulted before submitting to the Audit and Risk Committee. The Risk Management Framework was last approved by the Audit and Risk Committee in March 2020.

On an annual basis, details of responsible officers will be reviewed to ensure that they remain relevant and up to date.

An Internal Audit report on the Risk Management arrangements in the council was undertaken during the financial year where the Risk Management overall assurance assessment was deemed Reasonable Assurance. The assurance opinion has been derived as a result of 11 recommendations made, 4 - important, 4 – Needs Attention and 3 – Operational. Work will be undertaken during 2022/ 2023 to address the recommendations made.

b. **Corporate Risk Register**

The Corporate Risk Register, maintained by the Corporate Risk Officer, is now well-established and captures risks identified by Management Team. The Corporate Risk Register is required to be reviewed by Management Team on a quarterly basis and was last reviewed in March 2022. During the year new risks have been identified and included on the register, risks have been removed as they are no longer required to be included and / or they are considered to be a service risk and the risk rating reduced for some risks due to the implementation of the action plan and further controls in place.

The Corporate Risk Register was not reviewed by Management Team as per the timetable stated in the Risk Management Framework due to other work priorities however managers continued to provide updates to the register.

The corporate risk register reflects those key business risks that are required to be managed at a corporate level. As at the 31 March 2022 there were 26 risks on the corporate risk register.

Risk score is calculated by multiplying the likelihood by the impact. The position of the risk register, as at 31 March 2022 is shown in the matrix below.

The responsible officer for each risk is identified and any action required to reduce the risk to the corporate appetite has a completion date.

Risks are scored based on the criteria below:

Likelihood:

	Likelihood	Description	Probability	Timing
5	Very Likely	The event is expected to occur or has occurred and is continuing to impact	Over 90%	More than once per year
4	Likely	The event will probably occur in most circumstances	56 % to 90 %	Once per year
3	Fairly Likely	The event could occur at some time	16 % to 55 %	At least once between 1 – 5 years
2	Unlikely	Not expected but the event may occur at sometime	5 % to 15 %	At least once between 5 – 10 years
1	Very Unlikely	The event may occur only in exceptional circumstances	Less than5 %	Probably within 10–15 years

Where the probability and timing score differently, a judgement should be made as to the correct likelihood score.

Impact

Impact Type	1 Negligible	2 Minor	3 Moderate	4 Significant	5 Severe
Financial (loss)	£0k – <£10k	£10k – <£50k	£50k - <£250k	£250k – £1m	Over £1m
Service Provision	No effect	Minimal disruption to the whole organisation / service	Significant disruption of one part of the organisation	Significant disruption to large parts of the organisation or Suspended Short Term	Service suspended long term or statutory duties not delivered
Projects	Minor Delay – days	A few Milestones missed	Significant milestones missed / delayed	A Major Milestone missed	Project does not achieve objectives and misses majority of Milestones
Health & Safety	One Injury or illness requiring First Aid Treatment No lost time injury days	Injury or illness requiring medical treatment Lost time injury <10 days	Serious injury or illness Lost time injury >10 days	Significant / extensive injury or illness Permanent or partial disability	Multiple Loss of Life / Large scale major illness Permanent Total Disability
Objectives	No effect	Some Team Objectives not met	Team objectives not met	Portfolio Objectives not met	Corporate Objectives not met
Morale	No effect	Some hostile relationships and minor non-cooperation	Hostile relationships and major non-cooperation across the organisation	Industrial Action	Mass Staff leaving / unable to attract staff
Reputation	No media attention / minor letters	Adverse local media Leader	One off national media exposure	Prolonged Adverse National exposure	Extensive coverage in National Press and on TV. Requires resignation of Senior Officer / Member
Government Objectives	No effect	Poor Assessments(s)	Service taken over temporarily	Service taken over temporarily	Service taken over permanently
Statutory / Legal	No impact / breach	Warning received	Breech Challenging Improvement Notice	Enforcement Action Improvement Notice	Prosecution Fine
Community Risk	Insignificant impact to health, persons displaced disruption to community services, economy, and environment	Minor impact to health, persons displaced disruption to community services, economy, and environment	Damage to specific location or number of locations, fatalities and some causalities, displacement of > 100 people for 1 – 3 days, Limited impact on economy and environment	Significant damage, 100 to 500 people displaced for longer than 1-week, significant impact on community services and environment	Significant of fatalities and injuries, extensive damage to property, displacement of >500 people for prolonged duration, serious damage to infrastructure, serious long-term impact on environment

Identify the impact most relevant to the risk being evaluated (it is not necessary for all points in each category to apply.

Risk Matrix

IMPACT OF RISK

		1 Negligible	2 Minor	3 Moderate	4 Significant	5 Severe
5	Very Likely	Medium 5	High 10	High 15	Very High 20	Very High 25
4	Likely	Very Low 4	Medium 8	High 12	High 16	Very High 20
3	Fairly Likely	Very Low 3	Medium 6	Medium 9	High 12	High 15
2	Unlikely	Very Low 2	Very Low 4	Medium 6	Medium 8	High 10
1	Very Unlikely	Very Low 1	Very Low 2	Very Low 3	Very Low 4	Medium 5

LIKELIHOOD OF RISK

Risk Rating Actions:

Very High 20 - 25	Risk outside risk appetite. Action required to reduce rating to an acceptable level
High 10 - 16	Risk outside risk appetite. Action required to maintain or reduce rating.
Medium 5 - 9	Acceptable with some mitigating and contingency planning. Routine reviews should be carried out to ensure there is no change which makes them more severe
Very Low 1 - 4	Within risk appetite but kept under review. No further action required unless risk become more severe

The risk matrix below shows how the risks identified in the Corporate Risk Register are distributed. There are currently 26 risks included on the Corporate Risk Register. The risks considered to be outside the Councils risk appetite have action plans in place to mitigate or reduce the risk. The risks that fall within the risk appetite or acceptable have action plans in place to reduce the risk further.

Likelihood	1	2	3	4	5
5					
4			3 – Management of a flood incident 18b – Sufficient resources and resilience to ensure effective contract management 20 – Tree open and play spaces Management	5a - Local/National Economy 7b – Cyber Security 12 – Workforce Capacity 22 – IT systems capability and interaction	1 – Financial Stability
3		19 – Change Management	6 – Compliance with UK General Data Protection Regulations (UK GDPR) 7a - Information Security 8 - Data quality 11 – Management of Major Projects 13 – Changes in government policies 16 - Infrastructure not being able to meet demand 21 – Loss of Reputation 23 - COVID 19 - Impact of response and recovery actions on the residents and businesses of the Borough	18a – Sufficient resources and resilience to ensure effective procurement 26 – Confidential Risk	2 – Reduced spending in Great Yarmouth 4 – Flood defence and coastal protection
2			9 - Event Management – for large scale events held in the Borough by a third party on Council land 24 - Gaps in Insurance cover - insurers reducing cover in place with the result that Council assets may not be adequately covered	5b – Impact of EU exit trade deal 10 - Business Continuity 14 - Delivery of long term strategic objectives 15 - Lack of community cohesion / community tensions	25 – Confidential Risk
1			17 - Maintenance of five year housing supply and timescale for local plan		
	1	2	3	4	5

Impact

b. **Member Involvement**

The Corporate Risk Register is presented to the Audit and Risk Committee on a half yearly basis following the review by Management Team. The Corporate Risk Register was last reviewed by the Committee in December 2021.

c. **Department / Service Risks**

The roles and responsibilities of Directors and Heads of Service include the following:

Risk is an agenda item on all service / management team meetings to identify any emerging risk and changes.

Key risks to service objectives, project, partnership and change management processes under their control are identified, recorded, and managed.

Managers carry out risk assessments as a routine part of service planning and management activities.
Director of Finance is notified of any significant changes in service provision likely to arise if a risk materialises to enable him/her to ensure that appropriate and adequate insurance and financing measures are in place.

Those risks having a corporate impact are reported for consideration for inclusion in Corporate Risk Register.

d. **Corporate Risk Group**

A Corporate Risk Group was created in October 2016. The purpose of the Group is an advisory group to provide a focus to the Councils overall approach to risk management. The group meet on a quarterly basis although a meeting can be called by any group members at any time.

The Group consists of Officers from services whose work has a direct bearing upon the Council's corporate risk and the required outcomes are:

- To provide an officer coordinating group with an overview of corporate risk
- To provide a review mechanism for Council activities that contribute to corporate risk
- To ensure that the Council have a suitable Risk Management Framework to address, mitigate and manage existing and emerging risks at all organisational levels and within projects and partnerships
- To ensure suitable process is in place to escalate risk into the Corporate Risk Register from service level (e.g., service, project, and partnership registers) and equally to move risks down from the Corporate Risk Register
- To make recommendations and to report back to Management Team as required
- To raise awareness of risk management issues throughout the Council and with external partners and to encourage members, employees, and partners to manage risks effectively.
- To promote good risk management and ensure effective governance arrangements in all service areas.
- To regularly review the Corporate Risk Register and Partnership Register.

e. **Partnerships**

The Council are involved in a number of partnerships, forums, and groups in order to assist with the delivery of community strategies and in helping to promote the well-being of the area.

A Partnership Group has been created with a small number of public sector partners. The purpose of the group is to identify gaps in delivery or opportunities to deliver better outcomes through working together more effectively and provide guidance on the governance arrangements that should be in place for specific partnerships.

In recognition of the need to ensure that all partnerships continue to perform well, deliver value for money, and support the council's strategic objectives a Partnership Governance Framework was written and approved by Management Team and the Audit and Risk Committee in December 2018. The framework defines and standardises the councils' approach to managing partnerships, in order to strengthen accountability and manage risk.

The framework will be reviewed at least every 3 years, by the Corporate Risk Officer (or more frequently if fundamental changes are required). On an annual basis, details of responsible officers will be reviewed to ensure that they remain relevant and up to date.

Great Yarmouth Borough Council has adopted the Audit Commission definition of partnership which is:

'an agreement between two or more independent bodies to work collectively to achieve an objective'
The framework provides guidance to officers on:

- What partnership working is
- How to enter into a new partnership
- How to set up a new partnership
- How to maintain appropriate governance arrangements in existing partnerships
- How to exit from a partnership

The framework does not cover:

- Procurements (unless they are delivering major services in a strategic arrangements)
- Informal discussion / consultation groups
- Short term arrangements

In support of the Partnership Governance Framework a Partnership Register is maintained.

The partnership register main functions are:

- To provide an overview of the partnerships that the Council has and how these link to the council's Strategic, Corporate / Contractual and Operational objectives
- To provide a framework to allow a robust challenge and scrutiny of the partnerships and membership of outside bodies to take place
- To identify any group relationship (for accounting purposes) and/or any governance issues for exception reporting**.**

It is intended that partnerships will be managed at the service level but with an overview and challenge at corporate leadership level.

The Partnership Register is maintained by the Corporate Risk Officer and required to be reviewed by Management Team on a quarterly basis. As at the 31 March 2022 there were 41 partnerships on the register that the council are involved in or lead on.

The Partnership Register is required to be presented to the Audit and Risk Committee on a half yearly basis following the review by Management Team.

The Partnership Governance Framework and Partnership Register were not reviewed as per the timetable stated with the framework due to other work priorities and Management Team have requested a further review of the framework along with a review of the contents and layout of the partnership register. At the time of writing however, we are not aware of any significant non-compliance issues to report with regards to partnership management, but further work is required to strengthen some of the controls / governance arrangements within some partnerships.

f. **Health and Safety**

Corporate health, safety and welfare advice to the Council is carried out by a Corporate Health and Safety Advisor who sits under Environmental Services. The role is carried out two days a week. The advisor reports to the Corporate Health and Safety Group. This is an operational working group convened to raise/address concerns around health and safety within the Council, to raise the profile of health, safety and welfare management and ensure that actions in the Council's existing Policies are implemented.

i) **Work Completed in 2021/22**

Due to the COVID pandemic a significant amount of the work that has been carried out has been to comply with our duty to ensure that our workplaces are COVID secure and that employees can carry out site visits safely during the pandemic and this has resulted in a number of actions identified in the previous work plan being carried over to 2022/23. Equally, the previous Corporate Health and Safety Advisor left the authority, and there was a period of time whilst the role was unfilled.

In the last twelve months, the following work has been completed: -

- Continued work in relation to covid restrictions and moving forward to living with covid.
- A new lone worker system for staff has been procured and is now in use
- The Health and Safety Officer continues to offer support to all service areas to ensure they are COVID compliant
- Health and safety policy review
- Stress policy review
- Updated covid policies
- Review of the Phoenix pool

ii) Priorities for action for the next year 2022/23

A work plan has been developed with the input of Corporate Health and Safety Group and the risk priorities for this year have been identified following a review of incident statistics, organisational activities, internal health and safety policies and Health and Safety Executive guidance on priorities for action.
- Crematorium health and safety audit
- Inflatables on our land audit
- Warning marker system
- Fire and bomb threat
- Lone worker device review
- Use of body worn cameras

The work plan for 2022/23 has also identified that the following policies need to be reviewed and implemented:
- Health and safety policy
- Stress at work policy
- Manual handling policy
- Work equipment policy
- Driving policy

Work will also need to be undertaken to rebrand existing policies with the new Council logo and ensure that they meet the accessibility guidelines.

iii) Guidance and Information

The managers safety bulletin has been replaced by a safety newsletter that is provided to all staff. This covers a wide range of topics, the most recent being the wide range of health and safety training available to staff.

Managers are now contacted separately to ensure they are informed of monthly management health and safety checks that need to be completed.

iv) Health and Safety Co-ordinators

The Health and Safety Co-ordinators group has recently been relaunched and regular meetings will be held by the Corporate Health and Safety Advisor to ensure that they have the tools and support to allow them to carry out this important role.

v) Warner Marker System

The warning marker system is now managed by Environmental Services. The Warning Marker System (WMS) contains names and/or addresses of persons who have initiated incidents of violence, aggression, or threatening behaviour against employees. A review of the way the system is currently operated is being undertaken, alongside a review of the incident reporting procedure.

During 2021/22 There were a total of 29 warning marker requests received and these are broken down by type as follows: -

- Verbal abuse and threats on the telephone/email - 8
- Verbal abuse and threats in person - 7
- Physical assault – 2
- Behaviour - 5
- Declined - 7

Included within this are declined records. These are warning marker notifications that the warning marker panel decided did not meet the criteria to be added to the warning marker system.

vi) Incident and accident reporting

As staff have returned to the office and carrying out their roles, there has been a marked increase in the number of accidents and incidents reported in comparison to the previous year. The accidents and incidents were reported in the last year: -
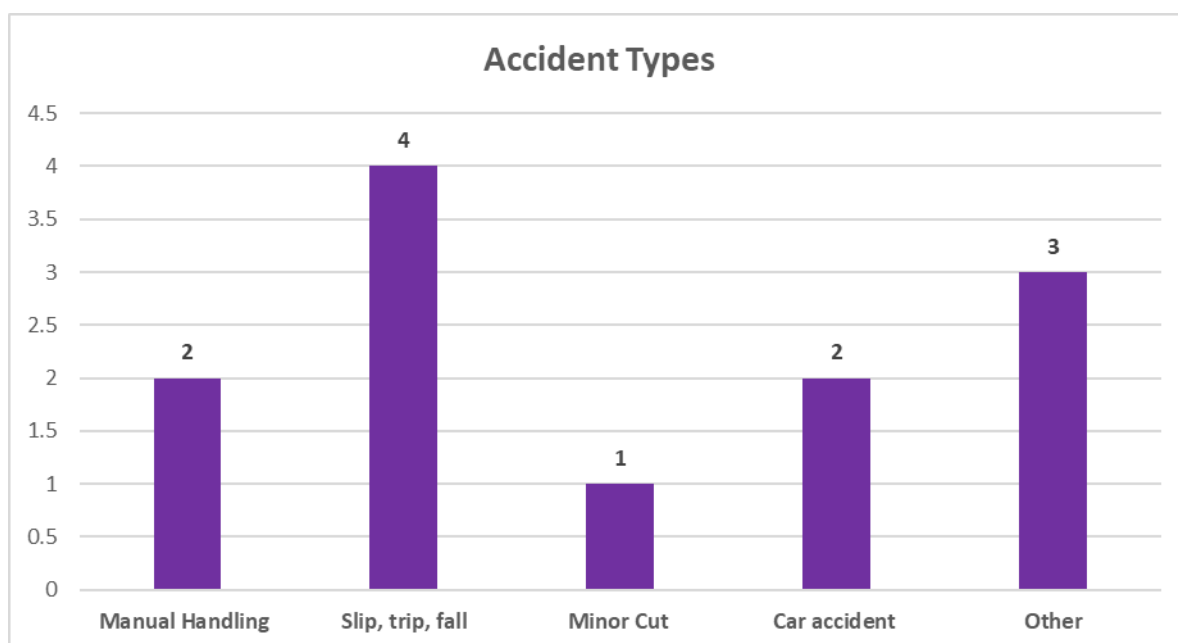
Others: (i) Banged head while lifting (ii) Recurrence of preexisting back pain (iii) Back Pain

Out of 12 accidents 9 were reported in the office and 3 were reported out in district.

Incident Types
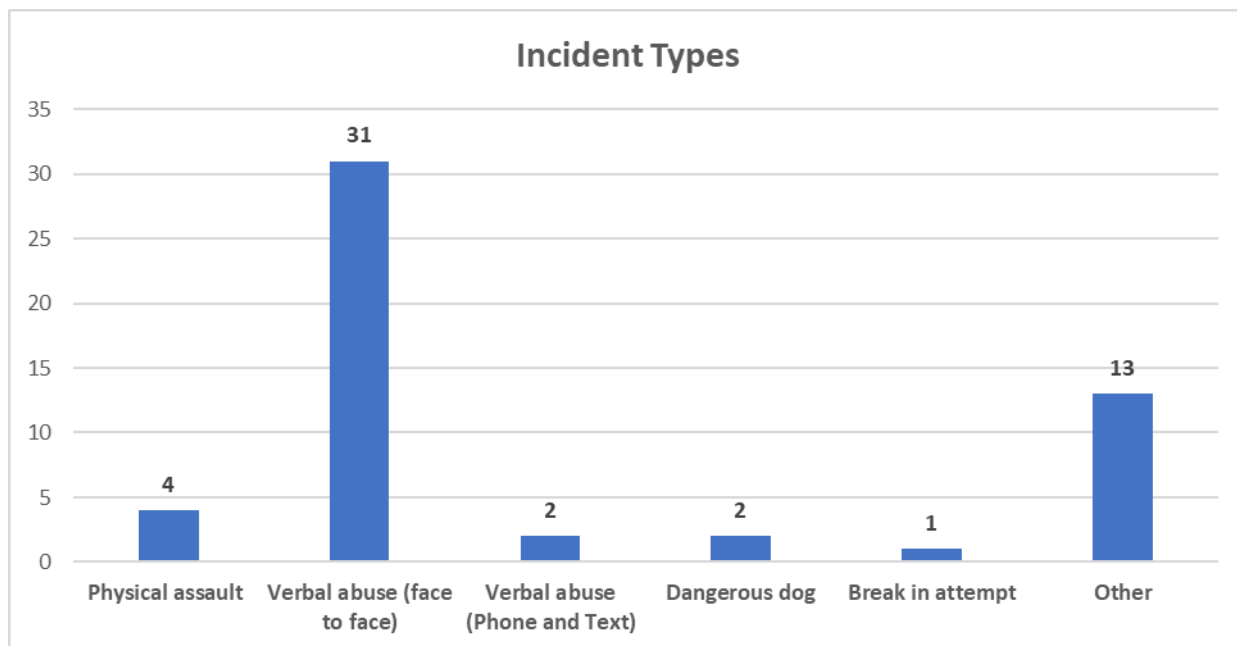
Others: *(i) Stress (ii) Stolen Machine (iii) Customer illness (iv) Phycological issues (v) Nonverbal abuse*

7   Employee enquiries and complaints

Corporate Health and Safety have addressed a wide range of employee enquiries and complaints including: Fire, DSE and COVID-19 as well as providing support to service areas in relation to Council asset issues.

g. Risk Management Software

The council does not use any specialised software for monitoring its risks. The Corporate Risk Register is maintained on an excel spreadsheet.

i. Financial Risk Management

Risk management techniques have continued to form part of annual budget-setting processes. The reserves policy also uses risk to inform the determination of the minimum level of reserves required each year. Risk assessment continues to inform decisions made around Treasury Management.

j. Project Risk Management

The incorporation of risk management within all major capital projects is now a requirement within GYBC. The Project Management Office ensures compliant and effective delivery of all Corporate Projects, managed through professional project management principles including retaining a Risk Register for each major capital project. Oversight for each major capital project is provided by the Officer Working Group and Members Working Group. The Project Management Office is overseen by the Major Projects & Development Director, managed directly by the Head of Capital Projects and Programme and Project Coordinator, with corporate projects being led by a Project Manager and Project Sponsor and where applicable external project management support. Recent personnel changes have meant there are some gaps in resourcing, however, the Council is looking to appoint a new Head of Capital Projects and Project Coordinator to ensure the team continues to drive forward the projects for the Council. The Executive Leadership Team (ELT) continues to provide strategic oversight and Project Sponsors. The eligible document management for projects is now in place to mitigate any potential issues with audit.

Alongside that, the Council 'Corporate Project Board' (CPB) continues to operate and meet on a regular basis. The CPB has overarching oversight of the projects and ensures quality delivery against the project, programme, and

budget. Highlight reports are submitted routinely and include risks and issues which are closely monitored. Additional procedures have been put into place and will be managed by the Project Support Officer alongside the Project Managers to ensure a robust risk approach is taken for each individual project. Project documentation is stored on a project SharePoint site, alongside a project performance section including risk and issue monitoring and regularly reviewed. Links to project templates and framework are on the Loop for all staff access.

k. **Business Continuity**

The Business Continuity function is a managed service supplied by Norfolk County Council who provide a Resilience Officer to Great Yarmouth Borough Council. The service agreement was renewed from 1st April 2022.

Key deliverables:

- Since early March 2020 the focus has been on the response to the COVID 19 pandemic which has involved a fundamental change in operational procedures including remote working - an important business continuity strategy. This response is now being stood down as COVID guidance is relaxed and adjustments to working practices are made to return to the "new normal".
- Business Continuity and Emergency Response Plans were revised in the second half 2021 to reflect the changed working practices.

- The Councils' capability to work remotely, supported by GYBC IT strategy, and ability to manage response structures will continue to be a key resilience strategy.

In 2022 the main deliverables will be:

- Coastal Pollution Response Plan: this will be aligned with the NRF County Plan and will mean that there is a structured response to coastal pollution threats.

- Surface Water Flooding Response Plan: the Norfolk Strategic Flood Authority has been working with the District Authorities to improve surface water flooding response and creation of this plan will make the response much more effective.

l. **Insurance**

Insurance arrangements are reviewed on an annual basis to ensure that adequate cover is in place and the Authorities assets protected and changes are made, as required during the insurance year.

Claims are handled promptly. The Risk and Insurance Section will liaise with other departments to gather information required by the insurance company.

The insurance contract commenced on 1 April 2021 and is a long-term agreement for 3 years with the option to extend for +1 +1.

The council's insurance programme will be placed with five insurers – albeit QBE Europe and HSB Engineering are both via RMP:

QBE Europe	HSB Haughton Engineering	Alesco
Blackwall Green Europe	Zurich Municipal Insurance	

By placing the insurance programme with the above insurance companies there is a requirement to appoint an insurance broker, Arthur J Gallagher is the appointed broker for the Council.

A dedicated insurance page is available for staff on the council's internal web page, The Loop.

The Councils website provides details of how to make a claim and an online claim form is available to complete.

The Corporate Risk Officer is a member of the Events Safety Advisory Group and provides guidance / advice in connection with events held in the borough as well as providing insurance advice on various projects / capital programmes in the borough.

m. **Communication and Training**

The Risk Management Framework is available to all staff, the public and other stakeholders and published on the Council's Internet and staff internal web page, The Loop.

A dedicated risk management page is available for staff on the council's internal web page, The Loop.

The Council has recently invested in an e-learning package, for mandatory training, which is available to staff.

Due to resource issues the revised Risk Management Framework was not uploaded to the Website or The Loop which also prevented the annual reminder being sent to Management Team to raise awareness of the Risk Management Framework, its purpose and officer's roles and responsibilities.

Covid restrictions have prevented further training being scheduled / provided during the year.

n. **Counter Fraud and Corruption**

Fraud is a diverse and evolving crime and is a significant risk to the public sector. The scale of which continues to increase as new fraud areas and more sophisticated mechanisms to commit fraud are sought. It is therefore important that counter fraud activity and initiatives evolve at a similar rate to ensure they continue to be effective.

Financial loss due to fraud can reduce the council's ability to support public services and can cause reputational damage.

The Council is determined that the culture and tone of the organisation is one of honesty and opposition to fraud, corruption and bribery and a commitment that all concerns raised will be properly investigated.

The Council's staff and elected members are an important element in its stance on fraud, corruption and bribery and are positively encouraged to raise any concerns which they may have on those issues where they are associated with the Council's activity. They can do this in the knowledge that such concerns will be treated in confidence, properly investigated and fairly dealt with. During 2021/2022 there have been no whistleblowing reports received.

The Council has a number of policies, procedures and guidance that are designed to support the Anti Fraud, Corruption and Bribery policy in countering, and preventing fraud occurring. These policies take account of legislation and expected standards in public life. Such documents include:

- The Codes of Conduct for Members and Employees
- The Council Constitution
- Disciplinary Procedures
- Complaints Procedures
- Register of Interests, Gifts and Hospitality
- Whistleblowing Policy
- Anti-Money Laundering Policy

The Anti Fraud, Corruption and Bribery Policy, Whistleblowing Policy and Anti-Money Laundering Policy are reviewed on an annual basis.

The Council's internal control environment plays a key role in ensuring that fraud can be prevented. Soundly designed systems, with adequate checks built in, minimise the opportunities for untoward activities.

Fraud and error risks are considered as part of each Internal Audit review. This helps us to establish a risk profile which can be a determinant in our continuous risk-based audit plan.

External Audit are charged with ensuring that the Council is correctly reporting its arrangements in relation to counter fraud, corruption, and bribery and where cases are uncovered involving sums in excess of £10,000 or of a complex nature, these are brought to its attention. There have been no such reports during the financial year 2021 / 2022

Annually the Head of Internal Audit also provides a response to the External Auditors; "Internal Audit's Views on the Risk of Fraud". This provides information to assist External Auditors in assessing the Council in relation to:

- Knowledge of any actual, suspected, or alleged fraud affecting the Authority
- Views around the risks of fraud at the Authority
- Areas within the Council at greater risk of fraud
- Procedures used by Internal Audit to detect fraud; and
- Management response to any findings as a result of these procedures.

Another way in which the Council acts to prevent fraud is to establish and develop the exchange of information with other local or national government agencies on fraud in relation to local authorities (subject to the conditions imposed by the Data Protection Act 1998 – amended by the General Data Protection Regulation (UK GDPR)).

The Council has established links with:

- Norfolk Constabulary
- Association of Local Authority Treasurers' Societies
- Norfolk Financial Officers Association
- Norfolk Chief Accountants Group
- Audit Commission
- External Audit – Ernst Young
- Department of Work and Pensions
- Participation in national anti-fraud initiatives for example the National Fraud Initiative (NFI)

The Council participates, in the National Fraud Initiative (NFI), a national data matching exercise co-ordinated by the Cabinet Office that matches data within and between audited bodies to prevent and detect fraud. This includes police authorities, fire, and rescue authorities as well as other councils and Housing Associations.

The NFI is a wide-ranging exercise and uses data sets such as:

Housing Benefits	Personal Licences to supply Alcohol
Payroll	Housing Waiting List
Housing Rents	Creditors
Council Tax reduction Scheme	Market Trader Licences
Taxi Driver Licences	Resident Parking Permits
Council Tax	Business Rates
Right to Buy	Register of Electors

The NFI exercise is undertaken under the Cabinet Office's date matching powers set out in Part 6 of the Local Audit and Accountability Act 2014. Over £161 million fraud and error has been prevented and detected for the 2020/21 exercise.

Date sets were submitted to the Cabinet Officer for processing. The data matches are then returned for follow up by the Council. As part of the NFI exercise for 2020/2021 there was a total of 1325 matches and to date a total of 1209 matches have been investigated of which it has been identified that there has been 9 errors and no fraud discovered. Details of the NFI data matching exercise is published on the Council's website.

The Council played a key role in distributing government grants to local businesses during 2021/2022. This was a difficult task with pressure to distribute grants quickly to provide essential support whilst keeping the risk of fraud to an acceptable level. The grant schemes have been targeted by criminals operating locally, nationally, and internationally. The Finance Team supported the Business Rates Team to establish controls to be in place for the pre and post payment checking exercise for Covid 19 related grants. Data was also submitted to the Cabinet Office and the results have been reviewed. These checks were made to ensure that payments were made to the bank accounts matching the businesses applying for the support. They also helped to ensure that the business applying for the grants were eligible under the rules of the government scheme. To date of the 70 matches identified no errors or potential fraud have been identified.

A review of the Counter Fraud and Corruption framework was undertaken during 2021/2022 where the systems and processes of internal control were overall, deemed 'Limited Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'urgent, five 'important' and four 'needs attention' recommendations being raised upon the conclusion of the Internal Auditors work. Work will be undertaken during 2022/ 2023 to address the recommendations made.

o. **Internal and External Audit reports**

Internal Audit prepares a risk based plan each year, with audit reviews separately identifying fraud risks to determine what controls have been put in place to address those risks and review their adequacy and effectiveness. Recommendations will be put forward where improvement is required. The recommendations and issues raised will be addressed during the year and progress / implementation reported back to the Internal Auditors. These reports will need to be read in conjunction with the Head of Internal Audit Annual Report and Opinion.
Internal Audit has four categories by which they classify internal audit assurance over the processes they examine. Detailed below are the reports issued along with the Audit Opinion of the controls in place and the number of recommendations made as a result of their findings:

Audit Area	Assurance Level	Recommendations			
		Urgent	Important	Needs Attention	Op
GY2201 GYN Invoicing – in draft	Limited	6	9	0	0
GY2202 Risk Management	Reasonable	0	4	4	3
GY2203 Annual Governance Statement	Reasonable	0	0	3	1
GY2204 Business Strategy & Performance – deferred to 22/23					
GY2205 Programme and Project Management – deferred to 22/23					
GY2206 Key Controls and Assurance - in draft	Reasonable	0	0	4	0
GY2207 Counter Fraud and Corruption	Limited	2	5	4	0
GY2208 Accountancy Services In draft to be agreed	Reasonable	0	1	2	0
GY2209 Accounts Receivable Arrangements	Reasonable	0	1	2	0
GY2210 Income	Substantial	0	0	2	0
GY2211 Housing Benefit & Council Tax Support	Reasonable	0	1	4	1
GY2212 Council tax & NNDR Arrangements	Reasonable	0	1	3	0
GY2213 Capital Programme Contracts	Substantial	0	0	3	0
GY2214 Development Control – deferred to 22/23					
GY2215 Environmental Services	Limited	2	8	6	0
GY2216 Review of Coastal Protection	Reasonable	0	3	5	3
GY2217 Event Management & Tourism – deferred to 22/23					
GY2218 Change control and Patch Management – Deferred to 22/23					
GY2219 Software Licensing - deferred to 22/23					
GY2220 Digital Strategy – deferred to 22/23					
GY2221 Business Support Grants	Substantial	0	0	0	1
GY2222 Housing Compliance - deferred to 22/23					
GY2223 GYN Housing Voids – deferred to 22/23					

Of the 14 assurance audits completed within the year a total of 11 resulted in a positive assurance grading being given.

The Head of Internal Audit Annual Report and Opinion 2021/22 gave a reasonable opinion on the framework of governance, risk management and control.

4.   Conclusions

In our view, the progress outlined demonstrates that the Council continues to improve upon its risk management arrangements. The Covid pandemic has had an impact on the delivery of the action plan however a significant amount of the work that has been carried out to ensure that our workplaces are Covid secure and that employees can carry out site visits safely during the pandemic, including resources issues and vacancies. Procedures have been reviewed to enable home working and to ensure that applicable governance and control measures were in place during the pandemic. This helps support the risk management evidence provided in the Annual Governance Statement.

Progress update for Risk Management Arrangement Action Plan for 2021/2022

	Issues to be addressed	Responsible Officer	Due Date	Progress update
1	Heads of Service to be contacted to identify further risk management training requirements and to implement the training suggestion of the Corporate Risk Group	Corporate Risk Officer	Ongoing	Postponed for 2022 / 2023
2	Discussion to be held with insurance provider to identify insurance related training that can be provided to staff.	Corporate Risk Officer	Ongoing	Work in Progress - Details of training provided and to be shared with a view to establish training requirements
3	Fraud Alerts received are to be published on the council's intranet and awareness emails to be sent to all staff as they provide important advice and guidance for individuals and organisations of the ongoing threat from criminal fraudsters.	Corporate Risk Officer	Ongoing	Postponed – Counter Fraud & Corruption Internal Audit report being prepared
4	The Corporate Health and Safety Officer priorities are: • Continue to review guidance in respect of COVID and provide ongoing advice to all service areas • Monitoring health and wellbeing performance and implementing actions to improve performance in this area. This piece of work has been carried forward again due to the pandemic • Review of PPE procurement to ensure uniformity across the council. This was carried forward from last year.	Corporate Health and Safety Officer	31 March 2022	Ongoing Working with HR and to be reported to Health and Safety Group Work in progress
5	Health & Safety Audits will be undertaken for: • Crematorium • Work at height and confined spaces	Corporate Health and Safety Officer	31 March 2022	Postponed - Programmed for the new year
6	The following polices to be reviewed and implemented: • Work Equipment • Manual Handling • Health and Safety Policy • Driving Policy • Stress Policy	Corporate Health and Safety Officer Corporate Health & Safety Officer & Head of Organisational Development	31 March 2022 – Revised date: 31 March 2023	Postponed to 2022-2023 Completed - Stress Guidance document prepared

7	A review of the support that the Health and Safety Coordinators can provide to support the ongoing pandemic is to be undertaken.	Corporate Health and Safety Officer	31 March 2022	Completed - Review complete and role relaunched
8	The contract for the Lone Worker Device devices expires in September 2021 and requires re-procurement. The Council will be trialling a number of alternative lone solutions.	Corporate Health and Safety Officer	1 October 2021	Completed – Stay Safe rolled out and training provided to managers and staff
9	Conflict resolution training to be provided to relevant officers.	Corporate Health and Safety Officer	31 March 2022	Completed – CEO's and Porters included in the online training
10	A simplified accident reporting form was introduced, and procedure will be introduced which will encourage the reporting of near misses as well as accidents. This will also streamline the system which will be linked to the warning marker reporting procedure. ICT Team to complete reworking of the system to allow it to be implemented.	Corporate Health and Safety Officer	30 September 2021 **Revised date: 31 January 2022**	Completed - but with ICT Team to deliver
11	Revise Business Continuity documentation to incorporate working from home as the key strategy, moving away from physical work area recovery. Document the risk of IT network failure and mitigating actions to address this risk.	Resilience Officer	31 October 2021	Completed – BC & Emergency Response Plans were revised in second half of 2021 to reflect changed working practices

Key risk management developments 2021/2022:

The Risk Management Framework was reviewed and updated however due to resource issues the revised Risk Management Framework was not uploaded to the Website or The Loop which also prevented the annual reminder being sent to Management Team to raise awareness of the Risk Management Framework, its purpose and officer's roles and responsibilities.

The Corporate Risk Register has been reviewed by Management Team and Audit and Risk Committee during the year however not within the timescale stated in the Risk Management Framework due to the other priorities. However, managers have continued to provide updates required to the register and the Corporate Risk Register has been reviewed by the Corporate Risk Group on a quarterly basis.

Action Plans are in place for all risk include on the Corporate Risk Register in order to reduce the risk to an acceptable level or to reduce the risk further. During the year new risks have been identified and included on the register, risks have been removed from the register and the risks rating reduced for some risks due to the implementation of the action plan and further control measures in place.

The Partnership Governance Framework and Partnership Register were not reviewed as per the timetable stated with the framework due to other work priorities and Management Team have requested a further review of the framework along with a review of the contents and layout of the partnership register.

A number of actions identified in the Health and Safety work plan have been carried over to 2022/23 due to work undertaken to ensure compliance with our duty to ensure that our workplaces are Covid secure and that employees can carry out site visits safely during the pandemic and the health and Safety Advisor role being vacant for a period of time. However, in the last twelve months, the following work has been completed: -

- Continued work in relation to covid restrictions and moving forward to living with covid.
- A new lone worker system for staff has been procured and is now in use
- The Health and Safety Officer continues to offer support to all service areas to ensure they are COVID compliant
- Health and safety policy review
- Stress policy review
- Updated covid policies
- Review of the Phoenix pool

Safety newsletters have been provided to all staff during the year, which cover a wide range of topics.

Managers have been provided with monthly management health and safety checks. The Health and Safety Coordinators role continue to support the managers in carrying out the health and safety tasks however the role has just been recently relaunched.

Corporate Health and Safety have addressed a wide range of employee enquiries and complaints including: Fire, DSE and COVID-19 as well as providing support to service areas in relation to Council asset issues.

Risk management techniques continue to form part of the annual budget setting process.

The 'Corporate Project Board' has meet on a regular basis to ensure quality delivery against the project, programme, and budget. Highlight reports have been submitted and include risks and issues which are closely monitored. Project documentation is stored on SharePoint site, alongside a project performance section including risk and issue monitoring and regularly reviewed.

The Business Continuity function is supplied by Norfolk County Council who provide a Resilience Officer based in Great Yarmouth, work undertaken during the year:

- Since early March 2020 the focus has been on the response to the COVID 19 pandemic which has involved a fundamental change in operational procedures including remote working - an important business continuity strategy. This response is now being stood down as COVID guidance is relaxed and adjustments to working practices are made to return to the "new normal".

- Business Continuity and Emergency Response Plans were revised in the second half 2021 to reflect the changed working practices.

- The Councils' capability to work remotely, supported by GYBC IT strategy, and ability to manage response structures will continue to be a key resilience strategy.

Insurance arrangements were reviewed to ensure adequate cover and the Authorities assets are protected and claims handled promptly. The Corporate Risk Officer has continued to provide advice and guidance various contracts and projects / capital programmes in the borough.

The Corporate Risk Officer, Health and Safety Advisor and Resilience Officer have continued to provide advice and guidance via the Great Yarmouth Event Safety Advisory Group for events that are held in the borough.

Risk Management Arrangements Action Plan for 2022/2023:

	Issues to be addressed	Responsible Officer	Due Date
1	Heads of Service to be contacted to identify further risk management training requirements and to implement the training suggestion of the Corporate Risk Group	Corporate Risk Officer	Ongoing
2	Ensuring that Risk Management documentation is uploaded to the Council's website and The Loop and accessibility issues addressed. Awareness email to be sent to Managers to raise awareness of the Risk Management Framework and their roles and responsibilities.	Corporate Risk Officer	31 July 2022
3	Implementation of the Audit Recommendations contained in the Risk Management Internal Audit report.	Corporate Risk Officer	1 September 2022
4	Discussion to be held with insurance provider to identify insurance related training that can be provided to staff.	Corporate Risk Officer	Ongoing
5	Fraud Alerts received are to be published on the council's intranet and awareness emails to be sent to all staff as they provide important advice and guidance for individuals and organisations of the ongoing threat from criminal fraudsters.	Corporate Risk Officer	Ongoing
6	Implementation of the Audit Recommendations contained in the Counter Fraud and Corruption Internal Audit report.	Corporate Risk Officer	1 September 2022
7	Uploading Counter Fraud Policies to the Council's Website and The Loop and ensuring accessibility issues addressed. Awareness email to be sent to all staff to raise awareness of the Counter Fraud Polices.	Corporate Risk Officer	31 July 2022
8	The following Health and Safety Audits will be carried out: • Crematorium health and safety audit • Inflatables on our land audit • Warning marker system • Fire and bomb threat • Lone worker device review • Use of body worn cameras	Health & Safety Advisor	31 March 2023
9	The work plan for 2022/23 has also identified that the following policies need to be reviewed and implemented: • Health and safety policy • Stress at work policy • Manual handling policy • Work equipment policy • Driving policy Work will also need to be undertaken to rebrand existing policies with the new Council logo and ensure that they meet the accessibility guidelines.	Health & Safety Advisor	31 March 2023

| 10 | In 2022 the main deliverables will be:

• Coastal Pollution Response Plan: this will be aligned with the NRF County Plan and will mean that there is a structured response to coastal pollution threats.

• Surface Water Flooding Response Plan: the Norfolk Strategic Flood Authority has been working with the District Authorities to improve surface water flooding response and creation of this plan will make the response much more effective. | Business Continuity Officer | 31 March 2023 |

5. Recommendations

The Committee is requested to note and approve the annual report on the Council's risk management arrangements.

Corporate Risk Officer
July 2022