

Subject: ANNUAL GOVERNANCE STATEMENT 2019/2020

Report to: Audit and Risk Committee – September 2020

Report by: Kaye Bate, Corporate Risk Officer



SUBJECT MATTER/RECOMMENDATIONS

GYBC has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how GYBC has complied with the code and also meets the requirement of regulation 4(2) of the Accounts and Audit Regulations 2011 in relation to conducting a review of the effectiveness of its system of internal control.

Recommendation - The Committee is requested to consider and approve the 2019/20 Annual Governance Statement.

1. INTRODUCTION/BACKGROUND

- 1.1 Great Yarmouth Borough Council (GYBC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. GYBC also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, GYBC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and ensuring this includes arrangements for the management of risk.
- 1.3 GYBC has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how GYBC has complied with the code and also meets the requirement of regulation 4(2) of the Accounts and Audit Regulations 2011 in relation to conducting a review of the effectiveness of its system of internal control.

2. ANNUAL GOVERNANCE STATEMENT

- 2.1 The attached report shows the arrangements that are in place for ensuring good governance and the management of risk. It also identifies areas of weakness that has been identified during 2019 / 2020 and action that will be taken to address these areas of concern. The report also identifies further work that will be carried out during 2020 / 2021.

3. FINANCIAL IMPLICATIONS

- 3.1 None

4. **RISK IMPLICATIONS**

4.1 None

5. **CONCLUSIONS**

5.1 The governance arrangements have been effectively operating during the year with the exception of those areas identified in the statement.

5.2 Over the coming year steps will be taken to address the matter identified in the report to further enhance the governance arrangements. These steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

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:	No
Legal Implications (including human rights):	No
Risk Implications:	No
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No



Author	Corporate Risk Officer
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Document Status	Draft

ANNUAL GOVERNANCE STATEMENT 2019/2020

1. Scope of responsibility

Great Yarmouth Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must ensure that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Great Yarmouth Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Great Yarmouth Borough Council is responsible for putting in place proper arrangements for the governance of the Council's affairs and facilitating the effective exercise of its functions including arrangements for the management of risk and for dealing with issues which arise.

Great Yarmouth Borough Council has approved and adopted a Code of Corporate Governance which is consistent with the principles and recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) 2016 Framework 'Delivering Good Governance in Local Government'.

A copy of the code can be obtained from the Corporate Risk Officer, Greyfriars House, Greyfriars Way, Great Yarmouth, NR30 2QE. This statement explains how Great Yarmouth Borough Council has complied with the code and also meets the requirement of regulation 6(1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement of internal control and accompanies the 2019/2020 Statement of Accounts of the Council. The Annual Governance Statement is subject to detailed annual review and approved by the Audit and Risk Committee.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, which direct and control Council's activities and through which we account to, engage with and lead the community. It enables the Council to monitor the achievement of its strategic priorities and objectives set out in the Corporate Plan and to consider whether those priorities and objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Internal controls cannot eliminate all risk of failure to achieve strategic priorities and objectives but can provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Great Yarmouth Borough Council's priorities and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

All subsidiary companies have a system of governance which is the responsibility of the Board of Directors and designed to give the Directors adequate information to review the activities of the Group and review and control the business risks

The governance framework has been in place at Great Yarmouth Borough Council for the year ended 31 March 2020 and up to the date of approval of the statement of accounts.

3. The governance framework

An annual review of the Code of Corporate Governance framework at Great Yarmouth Borough Council was completed prior to the preparation of the Annual Governance Statement. A new code of corporate governance has been developed to cover the coming financial year 2020/2021. This has been approved by Audit and Risk Committee in September 2020.

The Code of Corporate Governance derives from seven core principles identified in a 2016 publication entitled Delivering Good Governance in Local Government (CIPFA/SOLACAE 2007). This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA / SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007. The seven core principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

GYBC has adopted a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes. The constitution was reviewed during 2019/20.

Roles and responsibilities of members and officers are set out clearly in the constitution. The Council has adopted a number of codes and protocols that govern both Member and officer activities. These are:

- Members Code of Conduct and guidance
- Officers Code of conduct
- Member / officer protocol
- Members' declarations of interest
- Register of Gifts and Hospitality

The Officer Register of Gifts and Hospitality process is to be reviewed during 2020/2021 and further work is to be undertaken to raise awareness and ensure compliance.

Additionally, the Council appoints a number of committees to discharge the Council's regulatory and scrutiny responsibilities. These leadership roles, and the delegated responsibilities of officers, are set out in the Constitution.

The Council's Scheme of Delegation designates the Chief Executive as the Council's Head of Paid Service. The Scheme of Delegation sets out the extent of delegations made to Committees and officers under the principle that decisions should be made at the lowest or most local level consistent with the nature of the issues involved. The Council also has Financial Regulations, Standing Orders and Contract Procurement Protocol relating to contracts in place and all of these procedural documents are regularly reviewed.

It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting the Chief Executive and Finance Director, she will report to the full Council if she considers that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

The Monitoring Officer is provided through the Council's arrangements with NP Law for the provision of legal services and provides advice on legal compliance.

All decisions made by the Policy and Resources Committee are on the basis of reports, including assessments of the legal and financial implications, and consideration of the risks involved and how these will be managed. The financial and legal assessments are considered by the S151 Officer and the Monitoring Officer respectively.

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes.

The Council has an Agreed Behaviours Framework which confirms the way we behave at work, and what behaviour is supportive, appropriate and welcome and what is not. All officers are expected to adhere to the Agreed Behaviours Framework and these have been incorporated in the recruitment / induction process and will continue to be embedded through the Performance Development Review process.

A Members development group has been set up and a training program developed, agreed and shared with existing members and prospective candidates.

All relevant policies are held on The Loop and where required published on the Council's website.

The Council takes fraud, corruption and maladministration very seriously and has the following policies which aim to prevent or deal with such occurrences:

- Anti-Fraud, Corruption and Bribery Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- HR policies regarding disciplinary of staff involved in such incidents

The Anti-Fraud, Corruption and Bribery, Whistleblowing and Anti-Money Laundering Policies were reviewed during 2019/2020 and are published on The Loop and the Council's website. An annual email reminder is sent to all staff and members.

Policies and procedures governing the Council's operation include Financial Regulations, Contract Procedure Rules and a Risk Management Framework. Ensuring compliance with these policies is the responsibility of managers across the Council. The Internal Audit function, Finance and Legal Services ensure that policies are complied with. Where incidents of non-compliance are identified, appropriate action is taken.

B. Ensuring openness and comprehensive stakeholder engagement

The Corporate Plan - 'The Plan' is a five-year plan for the borough which is supported by four key strategic priorities:

- A strong and growing economy
- Improved housing and strong communities
- High-quality and sustainable environment
- An efficient and effective council

Our priorities are strongly focused on outcomes and 'The Plan' includes information regarding what we will achieve for our residents, visitors and business communities.

The Annual Action Plan details key projects to be delivered and aligns with the 'The Plan' and the Councils Business Strategy and incorporates Performance Indicators. The Annual Action Plan is reviewed to ensure specific activities and projects remain on track to deliver and published on an annual basis.

The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear.

The council operates a committee system of governance and each committee has clear responsibilities requiring them to work closely with senior and other employees so as to achieve the Council's ambitions.

Meetings are open to the public except where personal or confidential matters are being discussed. In addition, senior and other officers of the Council can make decisions under delegated authority – again the extent of these delegations is set out in the Constitution.

The Constitution also includes a Member / Officer protocol which describes and regulates the way in which Members and Officers should interact to work effectively together.

The report template ensures consultation is undertaken with S151 Officer and Monitoring Officer before the report is considered by members.

The Council works in partnership with other organisations to deliver the Council's aims, policies and objectives. Partnerships are regulated by partnership agreements and service level agreements. The Partnership Governance Framework and Partnership Register were reviewed in 2019/2020 and submitted to ELT for approval. Once approved further work is to be undertaken during 2020/21 in order to raise the profile and ensure that all applicable governance and risk management arrangements are applied and consistently used across the organisation. The Partnership Register was reviewed to ensure it correctly reflects the Partnerships that the council are involved in.

Outside Bodies membership roles and responsibilities – to be reviewed prior to Council in May 2021 with the aim to have terms of reference for all Outside Bodies and a potential training session for Members to understand their responsibilities.

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk based approach where required. The Equality Impact Assessment paperwork & guidance is to be review and work on the Council's equality objectives will take place in 2020/2021.

The Council aims to ensure that the work of the council is open, honest and transparent, and to enhance inclusion by building on our understanding of all resident's needs and perceptions, through improved customer service and community engagement. A fresh set of standards of what customers can expect in service delivery and a set of principles for staff to work to both external and internal have been created.

A programme of workshops to be held with services across the council to embed the Customer Services Charter.

The Council engages with local people and stakeholders in the following ways on a range of issues:

- | | |
|---|----------------------------------|
| - Surveys | - |
| - Community workshops | - On Line feedback |
| - Interviews | - Borough News magazine |
| - Neighbourhood boards and Community panels | - Public Meetings / consultation |

An on-line version of the Borough News is planned for 2020/2021.

The Council has also undertaken work with key stakeholders such as parish councillors to try to ensure enhance participation through these types of established forums.

A Resident Engagement Strategy is to be developed in 2020/2021 with residents of the Council's estates and homes.

A compliments and complaints procedure is available for dealing with complaints.

FOI champions have been appointed and regular training provided. IT Investment Group (ITIG) have agreed for the FOI system software to be developed and this is to be explored during 2020/2021.

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

The Corporate Plan - 'The Plan' is a five-year plan for the borough which is supported by four key strategic priorities:

- A strong and growing economy
- Improved housing and strong communities
- High-quality and sustainable environment
- An efficient and effective council

Our priorities are strongly focused on outcomes and 'The Plan' includes information regarding what we will achieve for our residents, visitors and business communities.

The Annual Action Plan details key projects to be delivered and aligns with the 'The Plan' and the Councils Business Strategy and incorporates Performance Indicators. The Annual Action Plan is reviewed to ensure specific activities and projects remain on track to deliver and published on an annual basis.

The Council's Executive Leadership Team, consisting of the Chief Executive and Directors met on a weekly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. Management Team meet monthly and also considers internal control issues, including risk management, performance management, compliances, value for money and financial management.

The Council has an effective Performance Management Framework, which is driven by the Corporate Priorities, which are cascaded through team / departmental meetings and 1:1s.

The Council's risk management framework requires that consideration of risk is embedded in all key management processes undertaken. These include policy and decision making, service delivery planning, project and change management, revenue and capital budget management and partnership working. In

addition, a corporate risk register is maintained, and the Audit and Risk committee meets to review the extent to which the risks included are being effectively managed. Risk Management arrangements for the year ended 31 March 2020 were considered adequate.

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk based approach where required. The Equality Impact Assessment paperwork & guidance is to be review and work on the Council's equality objectives will take place in 2020/2021.

The financial management of the Council is conducted in accordance with the financial rules set out in the Constitution and with Financial Regulations. The Council has in place a Medium Term Financial Strategy, updated annually, to support the aims of the Corporate Plan. The Policy and Resources Committee monitor and scrutinise progress against targets and performance in priority areas affecting relevant service areas, and consider and approve corrective action where necessary, on a quarterly basis. Regular reports are taken to the Policy and Resources Committee and Service Committee to monitor progress against budget for the General Fund, Capital Programmes and the Housing Revenue Account. The reporting processes are under constant review in order to develop their maximum potential.

The report template requires that consultation with S51 Officer and Monitoring Officer is undertaken before a report is considered by Members.

D. Determining the interventions necessary to optimise the achievement of intended outcomes

The Council's Executive Leadership Team, consisting of the Chief Executive and Directors meet on a weekly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. Management Team meet monthly and also considers internal control issues, including risk management, performance management, compliances, value for money and financial management.

The Council has an effective Performance Management Framework, which is driven by the Corporate Priorities, which are cascaded through team / departmental meetings and 1:1s.

The Project Management Framework document and accompanying templates have been presented and accepted to Extended Management Team following consultation with Staff Engagement Group and other key project officers. The document and accompanying templates are being made available to Project Managers and Officers. Cascade briefings are to be scheduled post Covid-19 measures.

The Council's risk management framework requires that consideration of risk is embedded in all key management processes undertaken. These include policy and decision making, service delivery planning, project and change management, revenue and capital budget management and partnership working.

The Partnership Governance Framework and Partnership Register were reviewed in 2019/2020 and submitted to ELT for approval. Once approved further work is to be undertaken during 2020/21 in order to raise the profile and ensure that all applicable governance and risk management arrangements are applied and consistently used across the organisation. The Partnership Register was reviewed to ensure it correctly reflects the Partnerships that the council are involved in.

The financial management of the Council is conducted in accordance with the financial rules set out in the Constitution and with Financial Regulations. The Council has in place a Medium Term Financial Strategy, updated annually, to support the aims of the Corporate Plan.

A Procurement Strategy is available and will deliver a sound structure and framework to support ongoing procurement activity. This will enable the Council to maximise opportunities, minimise risks and support several of its Corporate Objectives through good procurement practice. The Council has adopted the Chartered Institute of Procurement and Supply Code of Ethics.

The Policy and Resources Committee monitor and scrutinise progress against targets and performance in priority areas affecting relevant service areas, and consider and approve corrective action where necessary, on a quarterly basis. Regular reports are taken to Policy and Resources Committee and Service Committee to monitor progress against budget for the General Fund and Capital Programmes. The Housing and Neighbourhood Committee receives monitoring information for the Housing Revenue Account. The reporting processes are under constant review in order to develop their maximum potential.

All budget heads are allocated to a named budget officer who is responsible for controlling spend against a budget, and who is also responsible for assets used in the provision of their service. Containing spending within budget is given a high priority in performance management for individual managers

The Council's system of internal financial control throughout the financial year 2019/20 is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes:

- Comprehensive budgeting systems;
- Measurement of financial and other performance against targets;
- Regular reviews of periodic and annual financial reports, which indicate financial performance against the forecasts and targets;
- Clearly defined capital expenditure guidelines;
- Formal project management disciplines, as appropriate

Financial management processes and procedures are set out in the Council's Financial Regulations and include:

- Financial management processes and procedures
- Financial planning including budgeting and budget monitoring
- Risk Management and Control, including asset management and treasury management
- Systems and procedures
- External arrangements including partnerships

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk based approach where required. The Equality Impact Assessment paperwork & guidance is to be review and work on the Council's equality objectives will take place in 2020/2021.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Council aims to ensure that Members and managers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well trained and competent people in effective service delivery. The Corporate Induction course which is available for all new Members and staff to familiarise themselves with protocols, procedures, values and aims of the Council was reviewed and launched in May 2017 and is under regular review.

E-learning system now in place and process setup for all staff to undertake the e-learning annually'.

The Council has an established Member training and development programme, including an induction process and regular updates throughout the year. Specific training is also provided to Members who sit on regulatory committees, and they are unable to take up a position on these committees without having first received the relevant training.

All Council services are delivered by trained and experienced people. All posts have a detailed post profile and person specification. Training needs are identified through team meetings, 1:1s and annual individual Performance Review Checklists and addressed via Human Resources and/or individual services as appropriate. My Learning Tools has been developed to identify training needs and preferred training methods.

The Digital Strategy was agreed by ELT and P&R Committee. Implementation is now commencing supported by an action plan.

The Performance Review (PDR) process and a Workforce Development Plan and Workforce and Development Strategy have been developed. Learning and development needs will be identified through the PVR process and regular 1:1's.

Agreed behaviours have been incorporated into the recruitment / induction process and will continue to be embedded through the PDR process.

The Council's Chief Executive (and Head of Paid Service) leads the Council's officers and chairs the Executive Leadership Team. All staff, including senior management, have clear conditions of employment and job descriptions which set out their roles and responsibilities.

F. Managing risks and performance through robust internal control and strong public financial management

The Council's Executive Leadership Team, consisting of the Chief Executive and Directors met on a weekly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. Management Team meet monthly and also considers internal control issues, including risk management, performance management, compliances, value for money and financial management.

The Council has an effective Performance Management Framework, which is driven by the Corporate Priorities, which are cascaded through team / departmental meetings and 1:1s.

The Council's risk management framework requires that consideration of risk is embedded in all key management processes undertaken. These include policy and decision making, service delivery planning, project and change management, revenue and capital budget management and partnership working. In addition, a corporate risk register is maintained, and the Audit and Risk committee meets to review the extent to which the risks included are being effectively managed and reviews progress towards achieving the action plan. Risk Management arrangements for the year ended 31 March 2020 were considered adequate. The Risk Management Framework was reviewed during 2019/20.

Risk Management templates for project management has been incorporated into project templates.

The Partnership Governance Framework and Partnership Register were reviewed in 2019/2020 and submitted to ELT for approval. Once approved further work is to be undertaken during 2020/21 in order to raise the profile and ensure that all applicable governance and risk management arrangements are applied and consistently used across the organisation. The Partnership Register was reviewed to ensure it correctly reflects the Partnerships that the council are involved in.

All Committees have clear terms of reference and work programmes to set out their roles and responsibilities. The Audit and Risk committee meet throughout the year to provide independent assurance

to the Council and considers the reports and recommendations of internal and external audit and inspection agencies and their implications for governance, and risk management or control. The Committee supports effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourages the active promotion of the value of the audit process and review the financial statements. The committee considers the internal and external auditor's opinion and reports to members, and monitors management action in response to the issues raised by internal and external audit. These arrangements ensure that the Council has processes and procedures in place to ensure that it fulfils its overall purpose, achieves its intended outcomes for service users and operates in an economical, effective, efficient and ethical manner, as prescribed in the CIPFA/the role of the head of internal audit statement.

Internal audit is an independent and objective service to the management of the Council who complete a programme of reviews throughout the year to provide an annual opinion on the framework of governance risk management and control. Significant weaknesses in the control environment identified by TIAA Ltd - Internal Audit are reported to Senior Management and the Audit and Risk Committee by the Head of Internal Audit as part of the regular reporting process. Outstanding audit recommendations are discussed at senior management meetings, and issues with addressing the urgent recommendations are also discussed at Executive Leadership Team. Audit recommendations are usually implemented by agreed date but occasionally there is some slippage or recommendations are overtaken by other events or revised dates submitted.

The Corporate Risk Officer reviews and monitors the risk registers, and in addition undertakes fraud investigation and proactive fraud detection work.

The Business Continuity function is a managed service supplied by Norfolk County Council who provide a Resilience Officer based in Great Yarmouth and out-of-hours support by the Norfolk County Council Resilience Duty Officer.

All reports require review by S151 Officer and Monitoring Officer.

A manager's health and safety handbook has been developed for new managers which will enable them to build competence in managing health and safety risks in their workplace. The Corporate Health and Safety Group meet on a quarterly basis to monitor progress with health and safety priorities and processes. The annual cycle plan assists Heads of Service to identify the areas of Health and Safety that require monitoring and is supplemented with a monthly newsletter for managers dealing with topical issues including targeted reminders about the annual cycle checks due. The Health and Safety co-ordinators assist Heads of Service to complete the monthly Health and Safety tasks.

GYBC have signed up to the NCC Fraud HUB Initiative. Officers have been provided with access to website and work is progressing but activity to develop further has been slow.

The Warning Marker System has been reviewed and regular training provided. The ICT Team are to complete reworking of the system to allow this to be implemented.

FOI Champions have been appointed. The E-learning system now in place and a process setup for all staff to undertake the e-learning annually.

G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Internal audit is an independent and objective service to the management of the Council who complete a programme of reviews throughout the year to provide an annual opinion on the framework of governance risk management and control. Significant weaknesses in the control environment identified by TIAA Ltd - Internal Audit are reported to Senior Management and the Audit and Risk Committee by the Head of Internal

Audit as part of the regular reporting process. Outstanding audit recommendations are discussed at senior management meetings, and issues with addressing the urgent recommendations are also discussed at Executive Leadership Team. Audit recommendations are usually implemented by agreed date but occasionally there is some slippage or recommendations are overtaken by other events or revised dates submitted.

The overall opinion of the Internal Auditor in relation to the framework of governance, risk management and control at GYBC has been assessed as reasonable. 19 assurance audits were completed during the year and a total of 18 resulted in a positive assurance grading being given.

Meetings are open to the public except where personal or confidential matters are being discussed. All reports are available for the public to review on the Councils website, unless of a confidential nature, with contact details of the key officers prominently placed.

The Publication Scheme processes and procedures to be reviewed in 2020/21 in line with Transparency Data.

The Partnership Governance Framework and Partnership Register have been revised and waiting approval from ELT. Once approved further work will be undertaken to raise the profile to ensure that all applicable governance and risk management arrangements are applied and consistently used across the organisation.

Equinox Enterprise Ltd	<p>Equinox Enterprise Ltd main aim is to develop good quality council housing for rent and homes for outright sales. The social housing is built on behalf of GYBC on Equinox land and sold to GYBC.</p> <p>The Council owns 100% of the company shares</p> <p>Representative of the council sit on the board. Regular management meetings and quarterly board meetings are used to monitor the revenue and capital expenditure.</p> <p>Performance measuring systems both financial and non-financial are in place with management meetings and the Board providing a platform of discussion. Risk management arrangements are reviewed and discussed at the Board and management meetings. Check wording with Jane Bowgen</p> <p>Building works were required to be suspended due to COVID 19 which also had an impact on completing property sales.</p>
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The Annual Review of effectiveness

The Council has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- the work of senior managers within the Council who have responsibility for the development and maintenances of the governance environment.
- the work of TIAA Ltd, as reported by the Head of Internal Audit
- the signed Self Assessment Assurance Statements received by Directors and Heads of Service
- comments made by the external auditors and other review agencies and inspectorates.
- Systems and control of Great Yarmouth Borough Council as outlined in paragraph 3 above.

Both in year and year end review processes have taken place. In year review mechanisms include:

- the Policy and Resources Committee is responsible for considering overall financial performance and receives reports on a regular basis. It is also responsible for key decisions and for initiating corrective action in relation to risk and internal control issues.
- The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes
- The Standards committee will meet when required to consider and review issues relating to the conduct of Members including referrals from the Standards Board.
- The Audit and Risk committee meet throughout the year to provide independent assurance to the Council in relation to the effectiveness of the governance, risk management and control framework.
- Internal audit is an independent and objective service to the management of the Council who complete a programme of reviews throughout the year to provide an annual opinion on the framework of governance, risk management and control. Significant weaknesses in the control environment identified by TIAA Ltd - Internal Audit are reported to Senior Management, the Audit and Risk Committee and Policy and Resources by the Head of Internal Audit as part of the regular reporting process.
- The Corporate Risk Officer reviews and monitors the risk registers, and in addition undertakes fraud investigation and proactive fraud detection work.
- The External Auditors Annual Audit letter dated 31st March 2019 is considered by the Audit and Risk Committee and Policy and Resources Committee. The External Auditors also provided a value for money conclusion which considers whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness on its use of resources.
- The year end review of the governance arrangements and the control environment included:
- Heads of Services and Executive Leadership Team completed a Self Assessment Assurance statement relating to the effectiveness of the governance arrangements and systems of internal control in their service area.
- A review by the Internal Auditors on the governance arrangements, which has resulted in reasonable assurance being given for the year ended 31 March 2020.
- An annual report and opinion by the Head of Internal Audit on the framework of governance, risk management and control accompanied by a conclusion on the effectiveness of Internal Audit.
- A review of external inspection reports received by the Council during the year.

During 2019/2020, Great Yarmouth Borough Council continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice. Specifically, the Council's governance arrangements have been reviewed and tested against the requirements of the CIPFA/SOLACE Framework. Whilst this process of review is co-ordinated corporately and approved by the Executive Leadership Team, Directors and Heads of Service have a responsibility to ensure that their own governance arrangements are adequate and operating effectively. In line with the CIPFA/SOLACE Framework, each Director and Head of Service is required to make an annual statement confirming that this is the case.

Governance Issues

The review process has highlighted the following issues regarding the governance, risk management and internal control environment and these are described briefly in the table below. However, a number of recommendations / issues have been implemented or addressed during the course of the year to strengthen or further enhance these governance arrangements.

Annual Report and Opinion by the Head of Internal Audit

Issue	Action proposed / being taken
<p>The Head of Internal Audit Annual Report and Opinion 2019/2020, considered by the Audit and Risk Committee in September 2020, highlights a reasonable audit opinion in relation to the framework of governance, risk management and standards of internal control for the year ended 31 March 2020.</p> <p>The position at year end is that of the 84 recommendations raised and agreed by management so far; 41 have been implemented by the agreed date and 19 are not yet due.</p> <p>A total of 24 are now outstanding; one urgent, eight important and 15 needs attention.</p> <p>A total of 28 recommendations remain outstanding from the 2018/19 year; (11 important, 17 needs attention).</p> <p>Two important recommendations outstanding from the 2017/18 financial year. One relating to varying to the GY Norse contract to reflect H&S responsibilities and the other relating to amending SLA agreements for collection and recovery processes. Both recommendations have been extended until 31 March 2020.</p> <p>Internal Audit has issued 19 assurance reports, with 15 of these assurances being positive (substantial assurance – 3 reports and reasonable assurance – 15 reports). (Three reports, Accountancy Services, Income and Housing Benefits and Council Tax Support received a substantial assurance grading).</p> <p>Due to the impact of the Coronavirus four reports have been issued to management but remain in draft at the time of writing this report. They are; Key Controls and assurance, Corporate Enforcement, Housing Adaptations and Starters, Movers Leavers.</p>	<p>That all recommendations are resolved by the due dates and that the Council's Executive Management Team and Audit and Risk Committee receive regular update reports.</p> <p>In order to ensure responsibility and accountability is appropriately assigned all recommendations will be the responsibility of Heads of Service or Directors to ensure that the appropriate action is taken and where there are resource issues these will be discussed at Executive Leadership Team.</p>

<p>One report, Housing Needs, Allocations and Homelessness was required to be postponed due to COVID 19 and will be re-scheduled</p> <p>A Limited Assurance was concluded in 1 area: Preservation Trust – 1 Urgent, 5 Important, 5 Needs Attention, 1 Operational recommendation</p> <p>Internal Audit has also completed a position statements for Go Trade and ESF. Improvement actions and guidance have been provided to management.</p> <p>Issued raised by Internal Audit Manager:</p> <p>The outstanding recommendations from historical limited assurance reviews are as follows:</p> <p>An important priority recommendation remains outstanding from the Corporate Health and Safety review relating to the GY Norse Contract. Management are required to initiate a variation to the contract reflecting Health & Safety contract responsibilities. NP Law were instructed to add this clause to the contract by October 2017.</p> <p>The 2018/19 Corporate Governance report concluded in a limited assurance grading. This review evaluated the controls in place to ensure compliance with the GDPR legislation. One important recommendation remains outstanding in relation to reviewing off site paper storage arrangements.</p> <p>The 2018/19 Procurement and Contract Management audit resulted in a Limited assurance grading and four important recommendations now remain outstanding. These relate to the update of the Procurement Strategy and Standing Orders, regular review of the Contracts Register and analysis of spend to ensure all relevant contracts</p>	<p>A total of 7 have now been addressed. One urgent and one important and two needs attention recommendations remain outstanding. One urgent recommendation remains outstanding in relation to ensuring that the loan agreement for 135 King Street and deed of variation to the 133 King Street loan agreement are signed and payments requested in line with the agreed schedules. The outstanding important recommendation relates to ensuring that through an agreement, officers and Councillors involved with the Preservation Trust cannot financially, or non-financially benefit from the trust's work</p> <p>The latest response from management indicates that this should be complete by 30 June 2020.</p> <p>The latest response from management indicates that this should be complete by 31 March 2020.</p> <p>This recommendation is due for completion by August 2020.</p> <p>These recommendations are all due to be completed by 31 March 2020.</p>
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are reflected and to finalise arrangements for the Kerbside Green Waste Collection Service.	
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Annual Audit Letter

Issue	Action proposed / being taken
The Annual Audit letter for year ended 31 March 2019 concluded that the Council have put in place proper arrangements to secure value for money in your use of resources. The financial statements gave a true and fair view of the financial position of the Council and of its expenditure and income for the year then ended and other information published within the financial statements was consistent with the annual accounts. The Annual Governance statement was consistent with their understanding of the Council.	

Self Assessment Assurance Statement

Directors and Heads of Service completed an Assurance Statement relating to their service area. The Assurance Statement asked specific questions about; policy and procedure, effectiveness of key controls, alignment of services within the service improvement plan, human resources, finance, risks and controls, health and safety, procurement, insurance, information technology, data protection, freedom of information, business continuity, partnerships and equalities. A yes / partial / no response were required and where partial responses have been provided actions have been identified to address these areas. This Assurance Statements have highlighted the following areas of development or risk.

Issue	Action proposed / being taken
<p>From the responses received to the self-assessment assurance statement sent to Chief Executive Officer, Directors and Heads of Service a number of areas have been highlighted:</p> <p>Major/Business Critical system procedural notes are available for the majority of systems, but some require reviewing and some are in the process of being documented.</p> <p>Key controls are kept under review and action taken to address internal control weaknesses, as and when they are identified, e.g. agreed recommendations made by Internal Audit and External Audit have been or are being implemented.</p>	<p>The Executive Leadership Team is developing methodologies to gain assurance in the highlighted areas.</p> <p>Procedure notes are being reviewed or developed.</p>

<p>Audit recommendations are usually implemented by agreed date but occasionally there is some slippage or recommendations are overtaken by other events or revised dates submitted.</p>	<p>This is a standing item at management team meetings and is being given high profile and management attention. COVID 19 has prevented the implementation of some recommendations.</p>
<p>Data quality is of sufficient standard to inform decision-making and performance management arrangements.</p>	<p>This will take time and resources to rectify. Covid-19 pandemic is delaying implementation of new systems which will deliver more effective (and easier) data collection.</p>
<p>Job descriptions to be reviewed in some service areas due to service reviews / re-structures and inconsistency.</p>	<p>Job description will be reviewed once the service review / re-structures have been completed embedded via Performance Development Reviews. Career-grade posts and apprenticeships are being actively being pursued.</p>
<p>Training provided where necessary.</p>	<p>Training requirements will be addressed via the Performance Development Review. Financial governance training required in some service areas.</p>
<p>Some interim appraisals have not been completed in line with the timescales.</p>	
<p>The revision of the Whistleblowing Policy has highlighted the requirement of a deputy monitoring officer.</p>	<p>A deputy monitoring officer is to be appointed.</p>
<p>Most risk assessments are up to date and some have identified Health and Safety issues relating to offices which will require funding to address.</p>	<p>Health & Safety Advisor provides advice of when risk assessments are required to be reviewed. Health and Safety Co-ordinators have been appointed to assist managers within service areas.</p>
<p>The majority of Business Continuity Plans are up to date in service areas.</p>	<p>BC Plans to be updated.</p>
<p>A Register of Interests, gifts and Hospitality is being maintained however further work is required to ensure this is being adhered to.</p>	<p>Process to be reviewed during 2019/2020 and further work is to be undertaken to raise awareness and ensure compliance.</p>
<p>Partnership Register and Partnership Governance Framework reviewed in 2019/2020.</p>	<p>Once approved further work to be undertaken to raise the profile and ensure compliance with governance and risk management. The Partnership Register has been reviewed to ensure up to date. SLA's in place where required.</p>
<p>Office inventories should be reviewed on an annual basis.</p>	<p>Currently working with Property Services to ensure that these are being completed by all service areas.</p>
<p>GDPR work is largely complete and will implement guidance received. Archive storage facilities to be reviewed in line with GDPR requirements. GDPR</p>	<p>Further work will be undertaken in 2020/2021 however COVID 19 restrictions may have an impact on the review of the archive storage facilities.</p>

<p>training included in the new corporate on-line training programme.</p> <p>IT Security Policy to ensure IT systems are secure is up-to-date and reviewed on a regular basis.</p> <p>Not all contracts have been included on the Contracts Register.</p> <p>Audit & Risk Committee Self Assessment Assurance Statement</p> <p>The Audit and Risk Committee self-assessment exercise has resulted in most areas being scored as in conformance with CIPFA recommended best practice in relation to the role and effectiveness of an Audit Committee.</p> <p>The following questions were scored by the Audit and Risk Committee as partial compliance:</p> <ul style="list-style-type: none"> • Is the role and purpose of the audit committee understood and accepted across the authority? • Are the arrangements to hold the committee to account for its performance operating satisfactorily? • Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work? • Has the committee evaluated whether and how it is adding value to the Organisation? <p>The following question was scored by the Audit and Risk Committee as not in conformance:</p> <ul style="list-style-type: none"> • Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas? • Has the audit committee considered the wider areas identified in CIPFA's position statement and whether it would be appropriate for the committee to undertake them? • Has the membership of the committee been assessed against the core knowledge and skills 	<p>Following significant move to home working as part of Covid-19 staff have been reminded of the data security.</p> <p>Contract register to be review by service areas and up dated as required.</p> <p>For those areas where partial or non-compliance have been identified, actions to address gaps in best practice have been identified and agreed by the Audit and Risk Committee.</p> <p>Further work is to be undertaken to raise awareness of the role of the of the Audit and Risk Committee and to inform the Council of its performance in fulfilling its terms of reference. This can be achieved by producing an Annual Report of the Audit and Risk Committee and presenting this to Full Council. The report will provide details of work carried out throughout the year and any significant relevant information regarding the risk, control and governance framework. The report can be used to seek feedback from members of the Council on the performance of the Audit and Risk Committee. Further advice to be taken from the Monitoring Officer on how to proceed with this action.</p> <p>A self-assessment will now be carried out by the Audit and Risk Committee on an annual basis.</p> <p>The Audit and Risk Committee has not carried out a self-assessment exercise before. Therefore, as a result, this has not been completed. Both the CIPFA Position Statement and the Core Knowledge and Skills Framework would be circulated to members for discussion and if gaps were identified training would</p>
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framework and found to be satisfactory?	be requested.
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4. Further work / areas to be addressed

The following corporate governance areas were identified in the action plan for 2019/2020 and progress to address the areas that have highlighted improvements are:

	Further work / areas to be addressed	Responsible Officer	Review update
1	Internal Audit recommendations should be implemented within the agreed timeframe and adequately actioned by management to ensure we have robust internal controls environment to safeguard the council's assets in all service areas.	Management Team	Work continuing to implement audit recommendations by the due date and progress is being made for those recommendations with future dates. Progress being made to implement outstanding recommendations and at an acceptable level. ELT and Audit and Risk Committee receive regular update reports. To ensure responsibility and accountability all recommendations are assigned to Heads of Service or Directors to ensure that the appropriate action is taken and where there are resource issues these will be discussed at ELT.
2	Further work is required in order to raise the profile and to drive forward the application and implementation of the Partnership Governance Framework and Principles, so all applicable governance and risk management arrangements are applied and consistently used across the organisation and to ensure that this correctly reflects the partnerships that the council are involved in and the risks affecting the Authority.	Corporate Risk Officer	The Partnership Governance Framework and the layout of the Partnership register was reviewed and is awaiting approval by ELT / MT. Further work is required in order to raise the profile and to drive forward the application and implementation of the Partnership Governance Framework and Principles.
3	The Officer Register of Gifts and Hospitality process is to be reviewed during 2019/2020 and further work is to be undertaken to raise awareness and ensure compliance.	Corporate & Democratic Services Manager	Due to staff resources and the re-organisation of the Team this review was postponed. A new member of the team has been appointed and this review will be undertaken in 2020/21.
4	The Corporate Plan is to be reviewed.	Executive Leadership Team	Action Completed- The Corporate Plan was reviewed.

5	Recommendations made in the Internal Audit report on Procurement to be implemented.	Finance Director	13 recommendations raised. Progress update has been requested from responsible officers. Procurement advisory service is being provided by South Norfolk District Council and will include a move to a new online procurement portal and training provided to staff.
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The following corporate governance areas have been identified to form an action plan for 2020/21. These are a number of areas that have highlighted improvements, and these have been addressed in service improvements plans.

	Further work / areas to be addressed	Responsible Officer	Due Date
1	Internal Audit recommendations should be implemented within the agreed timeframe and adequately actioned by management to ensure we have robust internal controls environment to safeguard the council's assets in all service areas. COVID 19 may impact on the delivery of recommendations by the agreed implementation date.	Management Team	31/03/2021
2	Further work will be undertaken to raise the profile to ensure compliance with Partnership Governance Framework and so all applicable governance and risk management arrangements are applied and consistently used across the organisation.	Corporate Risk Officer	31/03/2021
3	The Officer Register of Gifts and Hospitality process is to be reviewed during 2021/2021 and further work is to be undertaken to raise awareness and ensure compliance.	Corporate & Democratic Services Manager	31/03/2021
4	Procurement and Contract Management Audit Report 2018/2019 – The four outstanding important recommendations relating to updating the Procurement Strategy and Standing Orders, regular review of the Contracts Register and analysis of spend and finalising the arrangements for the Kerbside Green Waste Collection Service are to be implemented.	Finance Director	31/03/2020
5	Corporate Governance Internal Audit Report 2018/19 – The outstanding recommendation for site paper storage arrangements to be reviewed to ensure compliance with GDOR regulations is to be implemented.	Corporate & Democratic Services Manager	31/08/2020
6	Corporate Health and Safety Review - Recommendations made in the Internal Audit report regarding a variation to the GY Norse Contract to reflect Health and Safety contract responsibilities to be implemented.	Head of Environmental Services	31/03/2020

7	A review of the impact of the coronavirus will be undertaken to ensure that applicable governance and control measures were in place and the impact on the delivery of the usual services and to assess the longer term disruption and consequences arising from the pandemic in particular the impact on the Medium term Financial Strategy.	Finance Director	31/12/2020
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5. Certification

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year with the exception of those areas identified above.

Systems are in place for regular review and improvement of the governance and internal control environment. The Council will continue to review its corporate governance arrangements and take any additional steps as are required to further enhance these arrangements and will review their implementation and operation as part of the next annual review.

It should be recognised that whilst this AGS makes an assessment of the governance in place during 2019/20, the Coronavirus pandemic (COVID-19) has impacted the financial, operational performance and workforce of the Council at the end of the 2019/2020 financial year and more so in 2020/21.

Work is continuing to ensure that there are robust governance arrangements, risk management and internal control measures in place within the Council. Policies and procedures are being reviewed and implemented throughout the Council to ensure the safety and wellbeing of officers, members and customers during the pandemic and preparation for returning to the office environment. Systems of internal control were required to be reviewed which resulted in revised working practices and processes at the start of the lockdown and the requirement to introduce alternative / additional control measures. Officers have been re-deployed to assist with the delivery of the service offered by the new Community Team and COVID 19 business grant.

During 2020/21 a review of the impact of the coronavirus will be undertaken to ensure that applicable governance and control measures were in place and the impact on the delivery of the usual services and to assess the longer term disruption and consequences arising from the pandemic.

Leader of the Council

Cllr Carl Smith:

Date

Chief Executive Officer

Sheila Oxtoby:

Date