



GREAT YARMOUTH
BOROUGH COUNCIL

Audit and Risk Committee

Date: Monday, 25 July 2022

Time: 10:00

Venue: Council Chamber

Address: Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

AGENDA

Open to Public and Press

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 DECLARATIONS OF INTEREST

You have a Disclosable Pecuniary Interest in a matter to be discussed if it relates to something on your Register of Interests form. You must declare the interest and leave the room while the matter is dealt with.

You have a Personal Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

You must declare a personal interest but can speak and vote on the matter.

Whenever you declare an interest you must say why the interest arises, so that it can be included in the minutes.

3	<u>MINUTES</u>	4 - 7
	To confirm the minutes of the meeting held on 7 March 2022.	
4	<u>MATTERS ARISING</u>	
	To consider any matters arising from the above minutes.	
5	<u>WORK PROGRAMME</u>	8 - 8
	Report attached.	
6	<u>PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY</u>	9 - 62
	Report attached.	
7	<u>ANNUAL REPORT AND OPINION 2021-22</u>	63 - 82
	Report attached.	
8	<u>EY EXTERNAL AUDIT PLAN 2020-21</u>	83 - 133
	Report attached.	
9	<u>CORPORATE RISK REGISTER</u>	134 - 156
	Report attached.	
10	<u>ANNUAL RISK MANAGEMENT ARRANGEMENTS REPORT 2021-22</u>	157 - 178
	Report attached.	

11	<u>CODE OF CORPORATE GOVERNANCE</u>	179 - 202
	Report attached.	
12	<u>ANNUAL GOVERNANCE STATEMENT 2021-22</u>	203 - 223
	Report attached.	
13	<u>ANY OTHER BUSINESS</u>	
	To consider any other business as may be determined by the Chairman of the meeting as being of sufficient urgency to warrant consideration.	
14	<u>EXCLUSION OF PUBLIC</u>	
	In the event of the Committee wishing to exclude the public from the meeting, the following resolution will be moved:-	
	"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."	



GREAT YARMOUTH
BOROUGH COUNCIL

Audit and Risk Committee

Minutes

Monday, 07 March 2022 at 10:00

PRESENT:-

Councillor Flaxman-Taylor (in the Chair); Councillors Galer & Wainwright.

Councillor Mogford attended as a substitute for Councillor Freeman.

Ms K Sly (Finance Director), Ms F Haywood (Head of Internal Audit) & Mrs C Webb (Executive Services Officer).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Freeman & A Wright.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

The minutes of the meeting held on 6 December 2021 were confirmed.

4 MATTERS ARISING

The Chairman reported that there were no matters arising from the above minutes which were not covered elsewhere on the agenda.

5 WORK PROGRAMME

The Committee received and considered the Work Programme.

The Finance Director informed the Committee that the Final Statement of Accounts 2020/21 scheduled for the July Committee might need to be put back to the next meeting in order for the Committee to sign them off. However, if this was the case, a draft statement of accounts would be presented to the Committee for information.

RESOLVED:-

That the Committee note the Work Programme.

6 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

The Committee received and considered the report from the Head of Internal Audit.

The Head of Internal Audit reported progress made between 26 November 2021 to 25 February 2022 in relation to the delivery of the revised Annual Internal Audit Plan for 2021/22.

The Head of Internal Audit reported that there had been three amendments made to the Internal Audit Plan since it had been approved in June 2021. Internal Audit had been instructed to carry out a formal investigation in relation to Health & Safety hazards as highlighted by the Chief Executive Officer in December 2021.

Councillor Wainwright asked who was ultimately responsible for this serious Health & Safety issue. The Head of Internal Audit reported that it had been recommended that the Council carried out regular estate inspections to identify any other significant H & S concerns and that further work was done to establish whether all issues and repair raised via the Love Clean Streets App were received and responded to by GYN.

The Chairman reported that valuable lessons had been learnt and moving forwards to ensure that this did not happen again.

The Head of Internal Audit highlighted that an assessment of counter fraud and corruption risks would be undertaken, with the Committee informed of the outcomes and an action plan put in place to respond to the risks identified. The Head of Internal Audit reported that a piece of work had been carried out across the Consortium and

this issues affected all local authorities and not just Great Yarmouth. The Head of Internal Audit reported that she would provide regular updates to the Committee subsidised with regular follow-up reports.

RESOLVED:-

That the Committee receive and note the progress being delivered against the Internal Audit Plan for 2021/22.

7 REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS

The Committee received and considered the report from the Internal Audit Manager.

The Head of Internal Audit gave an update on management implementation of agreed audit recommendations. The Head of Internal Audit highlighted the salient areas of the report which formed part of the overall reporting requirements to assist the Council in discharging the responsibilities in relation to its Internal Audit Service, and to ensure that a process was in place to ensure that sufficient action was being taken by management to implement recommendations, or that senior management had accepted the risk of not taking action.

The Head of Internal Audit referred to page 34 of the agenda report; GY1901 Corporate Governance, recommendation 8; a review of off-site paper storage arrangements is undertaken to ensure they are GDPR compliant, and informed the Committee that although the due-date had been revised 7 times, the recommendation was not high priority and was a compliance issue which had been hindered by staff resourcing issues but now that agile working arrangements had been introduced it was hoped that this could be recommenced. The storage of these papers would be subject to the Council's Retention Policy and would involve the safe removal of confidential waste.

RESOLVED:-

That the Committee receives and notes the current position in relation to the implementation of agreed audit recommendations.

8 STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS

The Committee received and considered the report from the Head of Internal Audit.

The Head of Internal Audit informed Committee that the report provided an overview of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2022/23 to 2025/26 and the Annual Internal Audit Plan for 2022/23. The Annual Internal Audit Plan would then serve as the work programme for the Council's Internal Audit Services Contractor; TIAA Ltd. It would also provide the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

RESOLVED:-

That the Committee notes and approves:-

- (a) The Internal Audit Strategy,
- (b) The Strategic Internal Audit Plans 2022/23 to 2025/26; and
- (c) The Annual Internal Audit Plan 2022/23.

9 ACTION PLAN UPDATE - ANNUAL GOVERNANCE STATEMENT 2020 - 2021

The Committee received and considered the report from the Corporate Risk Officer.

The Finance Director reported progress made in relation to further work identified and action required to address issues identified in the Annual Governance Statement 2020/21 action plan for the following year.

RESOLVED:-

That Committee receives and note the action taken to address the issues identified.

10 ANY OTHER BUSINESS

The Chairman reported that she had not been informed of any other business being of sufficient urgency to warrant consideration at the meeting.

Councillor Wainwright asked if the current situation in Ukraine could have an impact on the Council's IT infrastructure/systems as Local Authorities could be a prime target for cyber security attacks. The Head of Internal Audit reported that there was 10 days set aside to look at the Councils IT/Cyber Security systems next year and that this would be a useful piece of work. At the present time, this possible threat was being viewed as a potential state sponsored attack and information and guidance had been issued in this area but, at the moment, it was still business as usual. Councillor Mogford highlighted a possible attack on our banking systems as a risk.

The meeting ended at: 12:00

AUDIT AND RISK COMMITTEE – WORK PROGRAMME 2022/23

25 July 2022	12 September 2022	5 December 2022	6 March 2023
Internal Audit			
Progress Report on Internal Audit Activity 2021/22	Progress Report on Internal Audit Activity 2022/23	Progress Report on Internal Audit Activity 2022/23	Progress Report on Internal Audit Activity 2022/23
	Report on the Status of Audit Recommendations	Report on the Status of Audit Recommendations	Report on the Status of Audit Recommendations
Head of Internal Audit Annual Report and Opinion 2021/22 (including the status of the audit recommendations)			Strategic and Annual Internal Audit Plan 2023/24
External Audit			
Audit Plan Year Ending 31 March 2021			
		Audit Results Report 2020/21 (TBC)	
Finance / Accounts			
	Draft Statement of Accounts 2021/22	Final Statement of Accounts 2020/21 (following Audit)	
Risk Management			
Corporate Risk Register		Corporate Risk Register	
Annual Report on Risk Management Arrangements 2021/22			
Code of Corporate Governance			
Draft Annual Governance Statement 2021/22		Annual Governance Statement Action Plan Update	

Subject: PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

Report to: Audit and Risk Committee, 25 July 2022

Report by: Faye Haywood, Head of Internal Audit for Great Yarmouth Borough Council

SUBJECT MATTER

This report examines progress made between 26 February 2022 to 14 July 2022 in relation to the delivery of the revised Annual Internal Audit Plan for 2021/22.

1. INTRODUCTION/BACKGROUND

- 1.1 This report reflects the completion of the audit reviews which are part of the annual internal audit plan of work for 2021/22.

2. CURRENT COMPOSITION OF THE ANNUAL INTERNAL AUDIT PLAN 2021/22

- 2.1 The final position in relation to the delivery of the Internal Audit Plan for 2021/22 is shown within the attached report.

3. FINANCIAL IMPLICATIONS

- 3.1 The Internal Audit Plan has been delivered within the agreed budget for 2021/22.

4. RISK IMPLICATIONS

- 4.1 Internal Audit planning starts with the Council's key risks, which then directs the audit plan for the financial year. Internal Audit reports then identify risk and control weaknesses within the Council, which are highlighted in this report, with appropriate management action being agreed to mitigate these risks within agreed timeframes.

5. CONCLUSIONS

- 5.1 The report contains an update on progress against the Internal Audit Plan for 2021/22.

6. RECOMMENDATIONS

- 6.1 It is recommended that the Committee receive and note the progress being delivered against the Internal Audit Plan for 2021/22.

7. BACKGROUND PAPERS

Appendix – Progress Report on Internal Audit Activity

Area for consideration	Comment
Monitoring Officer Consultation:	No
Section 151 Officer Consultation:	Yes
Existing Council Policies:	No
Financial Implications:	Covered within the report
Legal Implications (including human rights):	No
Risk Implications:	Covered within the report
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

Eastern Internal Audit Services



Great Yarmouth Borough Council

Progress Report on Internal Audit Activity

Period Covered: 26 February 2022 to 14 July 2022

**Responsible Officer: Faye Haywood – Head of Internal Audit for Great Yarmouth
Borough Council**

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1. INTRODUCTION

- 1.1 This report is issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:
 - Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - Any significant outcomes arising from those audits; and
 - Performance Indicator outcomes to date.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 Since the amendments highlighted in the March 2022 report, there have been no further significant changes to the internal audit plan.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 In summary 209 days of programmed work has been completed, equating to 91% of the Internal Audit Plan for 2021/22. A total of three reports are complete but remain in draft awaiting management responses. In addition, two later additions to the plan are in the concluding phases.

The 2021/22 IT audit programme has not been delivered due to auditor resourcing difficulties. This work will be re-profiled into quarter the three-year internal audit plan.

4. THE OUTCOMES ARISING FROM OUR WORK

- 4.1 On completion of each individual audit an assurance level is awarded using the following definitions:

Substantial Assurance: Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Reasonable Assurance: Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Limited Assurance: Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

No Assurance: Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

- 4.2 Recommendations made on completion of audit work are prioritised using the following definitions:

Urgent (priority one): Fundamental control issue on which action to implement should be taken within 1 month.

Important (priority two): Control issue on which action to implement should be taken within 3 months.

Needs attention (priority three): Control issue on which action to implement should be taken within 6 months.

- 4.3 In addition, on completion of audit work “Operational Effectiveness Matters” are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.
- 4.4 During the final period of 2021/22, Internal Audit has issued eight reports in final and three in draft.

Audit	Assurance	P1	P2	P3
Capital Programme Contracts	Substantial	0	0	3
Coastal Protection	Reasonable	0	3	5
Accounts Receivable	Reasonable	0	1	2
Housing Benefits and Council Tax Support	Reasonable	0	1	4
Council Tax and NNDR	Reasonable	0	1	3
Environmental Services	Limited	2	8	5
Annual Governance Statement	Reasonable	0	0	3
Risk Management	Reasonable	0	4	4
GYN Invoicing (DRAFT)	Limited	6	9	0
Key Controls and Assurance (DRAFT)	Reasonable	0	0	4
Accountancy Services (DRAFT)	Reasonable	0	1	2
Total		8	28	35

The Executive Summary of these reports are attached at **Appendix 2**, full copies of these reports can be requested by Members.

- 4.5 As can be seen in the table above and as a result of these audits 71 recommendations have been raised by Internal Audit. In addition, nine Operational Effectiveness Matters have been proposed to management for consideration.

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 2											
Counter Fraud and Corruption Framework	GY2207	8	8	8	Final report issued on 27 January 2022.	Limited	2	5	3	0	Mar-22
Income	GY2210	8	8	8	Final report issued on 7 December 2021.	Substantial	0	0	2	0	Mar-22
Capital Programme Contracts	GY2213	8	8	8	Final report issued on 24 March 2022.	Substantial	0	0	3	0	Jul-22
GYN - Invoicing	GY2201	8	8	8	Draft report issued on 23 November 2021.	Limited	6	9	0	0	Jul-22
Coastal Protection	GY2216	10	10	10	Final report issued on 3 May 2022.	Reasonable	0	3	5	3	Jul-22
TOTAL		42	42	42							
Quarter 3											
Programme and Project Management	GY2205	8	8	6	Fieldwork complete. Draft report in preparation.						
Accounts Receivable	GY2209	10	10	10	Final report issued on 29 March 2022.	Reasonable	0	1	2	0	Jul-22
Housing Benefits and Ctax Support	GY2211	15	15	15	Final report issued on 22 March 2022.	Reasonable	0	1	4	1	Jul-22
Council Tax and NNDR	GY2212	18	18	18	Final report issued on 16 March 2022.	Reasonable	0	1	3	0	Jul-22
Business Support Grants - Addition	GY2221	0	12	12	Final report issued on 13 January 2022.	Substantial	0	0	0	1	Mar-22
Environmental Services	GY2215	12	12	12	Final report issued on 17 June 2022.	Limited	2	8	5	0	Jul-22
TOTAL		63	75	73							

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 4											
Risk Management	GY2202	5	5	5	Final report issued 17 July 2022	Reasonable	0	4	4	3	Jul-22
Annual Governance Statement	GY2203	8	8	8	Final report issued on 15 June 2022.	Reasonable	0	0	3	1	Jul-22
Business Strategy and Performance	GY2204	10	0	0	Audit deferred 2022/23						
Key Controls and Assurance	GY2206	11	11	11	Draft report issued on 1 July 2022.	Reasonable	0	0	4	1	Jul-22
Event Management and Tourism	GY2217	12	0	0	Audit deferred 2022/23						
Development Control	GY2214	15	0	0	Audit deferred 2022/23						
Accountancy Services	GY2208	16	16	16	Draft report issued on 30 June 2022.	Reasonable	0	2	1	0	Jul-22
Housing Compliance - Addition	GY2222	0	15	13	Fieldwork complete. Draft report in preparation.						
Voids - Addition	GY2223	0	12	10	Fieldwork complete. Draft report in preparation.						
TOTAL		77	67	63							
IT Audits											
Change Control and Patch Management	GY2218	10	10	1	Audit delay - not complete						
Software Licensing	GY2219	10	10	6	Audit delay - not complete						
Digital Strategy	GY2220	10	10	8	Audit delay - not complete						
TOTAL		30	30	15							
Follow Up											
Follow Up	N/A	16	16	16							
TOTAL		16	16	16							
TOTAL		228	230	209			10	34	39	10	
Percentage of plan completed				91%							

APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES

Assurance Review of GY2213 Capital Programme Contracts

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Overall Capital Programme	0	0	0	0
Contract monitoring	0	0	3	0
Financial management and reporting	0	0	0	0
Total	0	0	3	0

SCOPE

This review was deferred from 2020/21 to allow for Covid-19 coverage. Some arrangements have been covered within the Procurement and Contract Management Audit, however a high risk remains within the CRR relating to the management of major projects. The re-development of the Marina Leisure Centre project involving the demolition of the existing Leisure Centre building and erection of a new facility represents a significant risk exposure to the Council. We will provide assurance over the adequacy of risk mitigation by reviewing the procurement and management of contractors, budget management, programme management and delivery.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Substantial Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'needs attention' recommendations being raised upon the conclusion of our work.
- The previous audit report for the Capital Programme (GY/19/08) was issued in November 2018. It concluded in a 'Reasonable Assurance' opinion with six 'important' and three 'needs attention' recommendations being raised. This indicates a positive direction of travel.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

Overall Capital Programme

- Capital funding for the Marina Centre and Markets Development was formally approved. The authorisation was in accordance with the council's decision making procedures as defined in the constitution.
- Project risks from a corporate risk perspective are being managed and mitigated sufficiently within the available resources.
- **Contract monitoring**
- Clerk of Works site checks and reporting arrangements are undertaken on a regular basis to record progress.
- With regard to the Markets Development, a review of the monthly Contract Report and monthly progress meeting minutes confirmed that client matters, non-compliance matters, design team issues and general progress is reported in a sufficient manner. The Marina Centre consultant monthly reports are complemented with weekly flash reports for more frequent matters. It was found that: the key actions and issues were raised; Mace performance is assessed; commercial activity is reviewed, and the key client issues as well as the contractor issues are stated in the report.

- The Marina Development change control register is efficient due to its detail, structure and recording file order in SharePoint. Monitoring of the Markets Development was adequately controlled through recorded alterations in the Contract Reports and progress meeting minutes.

Financial management and reporting

- The two projects reviewed are monitored in total as part of the overall Capital Programme. Discussions with Finance, and a review of the Capital Budget Monitoring spreadsheet confirmed that the summary on the Budget Monitoring Report is reported to Policy & Resources Committee every quarter. The Budget Monitoring report section states the budget expenditure, the actuals and the forecasted expenditure.
- Compliance testing selected a sample of payment certificates for the Marina Centre and the Markets Development. Testing confirmed full compliance and adequate payment processes with authorisation controls.

ISSUES TO BE ADDRESSED

The audit has highlighted the following areas where three 'needs attention' recommendations have been made.

Contract monitoring

- The current assignment and allocation of contracts is generally effective but there is a degree of ambiguity with regard to contract value thresholds for categorising contracts and allocating work. Implementing thresholds based on the value of contracts for the Asset Management Team and the Project Management Team will reduce ambiguity and risk of dispute.
- Utilising SharePoint to store and manage project related information has been trialled for the Marina Centre Development. General record management was found to be adequate but various files had to be requested from various parties during audit fieldwork. Failure to adequately record and retain information in a single point of truth may lead to delays, duplication, missing files and a lack of oversight.
- The signed Markets Development Call-Off Agreements could not be reviewed at the point of audit fieldwork without retrieving files from the office. Hard copy records may be lost, destroyed or damaged. To ensure robust records management processes, especially during prolonged periods of remote working, contractual agreements must be recorded electronically to be retrieved for reference in a timely manner, ensure file safety as well as maintaining sufficient oversight.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

The previous audit of the Capital Programme was completed in September 2018 with a 'Reasonable' assurance. Previous audit findings were specific to the developments reviewed at the time of the audit fieldwork. As this audit has reviewed different developments, none of the previous recommendations are relevant to this audit.

Assurance Review of GY2216 Coastal Protection

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Project Initiation and Management Budget	0	2	3	2
Management Reporting	0	0	1	0
Performance and Evaluation	0	1	0	0
Risk Management	0	0	1	1
Total	0	3	5	3

No recommendations were made in respect of these areas - Policy and Procedures; Strategy for Coastal Protection including Investment; Partnership working; and Performance Measures.

SCOPE

The objective of the audit is to review the adequacy, effectiveness and efficiency of the systems and controls in place over Coastal Protection.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'important' and five 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised three 'operational effectiveness matters', which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- The Hemsby project is supported with a sound business case, which has been subject to approval by the Environment Committee, including funding arrangements. This ensures there is approval and agreement from the right level of governance in accordance with the constitution.
- Funding applications are signed and approved based on the Environment Agency Memorandum of Understanding which contributes to all parties following the same process.
- A project plan is in place for the Hemsby project which contains an action tracker, decision schedule, risk register, project group notes, issues log, and register of appointments, roles and responsibilities and timelines. This provides focus and direction for the overall project.
- Progress meetings occur regularly with the contractor to report progress/performance of the work in line with the contractual documents. This facilitates ongoing discussions between all parties and ensures that work is being completed in line with the contract.
- The CPE team provided evidence of a comprehensive lessons learned exercise being completed for a previous project. There is another exercise planned for the current project at an appropriate point after completion.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where three 'important' recommendations have been made.

Project initiation

- The Coastal Protection East (CPE) team to clarify, with the GYBC Finance Team, the funding amounts of £75k and £63k and when this funding was approved and should be accrued for; and whether the Environment Agency funding and associated costs should be recognised as revenue or capital.
- The fully completed waiver form for the outline design and Environmental Impact Assessment (EIA) additional work to be completed. This should include signatures of two Heads of Service or one Head of Service and the Section 151 Officer.

Performance

- The Business Plan and annual work programmes be linked to and support the CPE agreement partnership aim and long term vision, including objectives/outcomes which are SMART.

The audit has also highlighted the following areas where five 'needs attention' recommendations have been made.

Project initiation

- Regular budget discussions/meetings to be undertaken between the GYBC Management Accountant and key CPE officers including the Coastal Manager and Project Manager/Coastal Adaptation Officer, in line with the council's budget monitoring process.
- Criteria is set by the CPE for when more formal project governance (including project board) is set up. This should take into account, CPE partners governing documents e.g. constitution, and project management documents.
- Consideration be given to creating separate codes within the coastal protection cost centre which denote each specific project (e.g. Hemsby project) and costs are allocated in accordance to which project they are associated with.

Management Reporting

- Updates on progress against the Hemsby project objectives be provided to the CPE board on at least a six-monthly basis.

Risk management

- The Hemsby project risk register to be updated to reflect current risk score and target risk score and denote risk appetite; and the CPE risk register be updated to denote what the risk appetite is.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

Project initiation and Management Budget

- The Coastal Manager and Coastal Adaptation Officer to discuss with the relevant council teams on how to gain 'read only' access to the GYBC financial system and intranet. In addition, consideration to be given as to what other GYBC systems could be accessed to improve the effectiveness of the Coastal Partnership East operation.
- Financial updates to the Officer Operational Group (OOG) are currently received at the same time as the Coastal Partnership Board (CPB). These used to be received by the OOG at an earlier time. Consideration should therefore be given to whether there is benefit in returning to financial updates being provided to the OOG at an earlier time to the Board. This then gives OOG members time to make any necessary amendments and to be more prepared for board questions.

Risk Management

- Consideration be given to sharing the relevant coastal protection risks with the CPE Team, namely the Coastal Manager, for technical input.

Previous audit recommendations

A previous audit of Coastal Protection has not been undertaken.

Assurance Review of GY2209 Accounts Receivable

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Raising of Sundry Debtors	0	1	0	0
Credits, Refunds and Transfers	0	0	1	0
Recovery and Write Off of Outstanding Debt	0	0	1	0
Total	0	1	2	0

SCOPE

These key financial systems feed into the Statement of Accounts and require regular review to confirm the adequacy and effectiveness of controls. Where reviews are undertaken in earlier quarters, top up testing will be completed if required in the key controls audit to provide adequate coverage.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of one 'important' and two 'needs attention' recommendations being raised upon the conclusion of our work.
- The previous report on Accounts Receivable (GY/20/03) was issued in September 2019, with a 'Reasonable' assurance having raised one 'important' recommendation and seven 'needs attention' recommendation. This indicates a positive direction of travel.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- Service Level Agreements (SLA) have been documented and agreed with the Heads of Service for three service areas. This formalises the responsibilities and signed agreement by the Services and Sundry Debts team in improving cash collection. Implementation timetables have been established for three further services, which are due to be signed off by end of 2022/23.
- Sample testing determined that refunds were accurately raised and appropriately authorised which helps ensure that refunds are justified.
- Monthly reconciliations of income, refunds, and write-offs between Civica and Integra were determined to have been completed in a timely manner, with supporting documentation retained, along with the required signoffs, thereby facilitating accurate records on both Civica and the general ledger.
- Performance measures are in place, monitored and reported. The monthly Performance Framework tracks a suite of KPI for Sundry Debts, providing management a means to track performance against established targets.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where one 'important' recommendation have been made.

Raising of Sundry Debtors

- The two incorrectly authorised invoices be revisited by the Revenues & Benefits Service Manager to ensure the correct authorisation is received.

The audit has also highlighted the following areas where two 'needs attention' recommendations have been made.

Credits, Refunds and Transfers

- The incorrectly authorised credit note to be revisited by the Revenues & Benefits Service Manager to ensure the correct authorisation is received.

Recovery and Write Off of Outstanding Debt

- Monthly finals reports to be re-started and included on the recovery timetable/schedule. Results of these efforts to be evidenced, and monitored to ensure performance against the plans. This recommendation will also cover Housing Benefits.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

The previous report on Accounts Receivable (GY/20/03) was issued in September 2019, with a 'Reasonable' assurance having raised one 'important' recommendation and seven 'needs attention' recommendation, which have since been confirmed as completed.

The previous report on Key Controls and Assurance (GY/21/07), issued in March 2019, raised one 'important' recommendation relating to the scope of this review, which has since been completed.

Other points noted

- Over the past 18 months, major initiatives have been put in place, in all areas of the Revenues and Benefits Service, to help with the Covid-19 pandemic, which have impacted vastly on the officer's resources as they carried out the administration of these, in addition to their normal day to day work. An example of this, in relation to the Sundry Debts team, is the administration of the Covid-19 business support grants, which is still ongoing. Additionally, Covid-19 restrictions have been acknowledged as having impacted collection processes during the audit testing period. Certain collections actions were suspended during this period, and court closures further impacted recoveries.
- The audit included a review of the Council Tax, Business Rates, Sundry Debts and Housing Overpayments Recovery Guidelines which identified that this document did not reflect current officer job titles/roles. This policy was also reviewed through the course of the GY2211 Housing Benefits and Council Tax Support audit, which has been concurrently taking place, within which a recommendation has been raised, to update the write off authorisations to reflect the current officer job titles/roles. Therefore, a recommendation has not been included in this report.

- Through the course of the GY2212 Council Tax and NNDR audit, concurrently taking place, it was identified that the requisite Quality Assurance checks were not performed during the audit period. While outside of the scope of this review, it was also identified that these QA checks were not being performed within Sundry Debts. A recommendation has been raised in the Council Tax and NNDR audit to implement Quality Assurance checks for both NNDR and Sundry debts. Therefore, a recommendation has not been included in this report.
- This audit has raised findings and recommendations related to the effective operation of authorisation controls for raising invoices and credit notes. Similar findings and recommendations were raised during both the previous Accounts Receivable (GY/20/03) and Key Controls and Assurance (GY/21/07) audits. While management has addressed the specific accounts identified through those audits, the underlying manual processes remain, which has been attributed as the cause of these findings. Furthermore, a similar finding and recommendation has also been raised in the GY2211 Housing Benefits and Council Tax Support audit, relating to a number of writes offs not being correctly authorised. Management has stated that prior to the onset of Covid-19 restrictions, developing an electronic sign-off system had been explored, however it was not finalised. Implementation of this system would help mitigate the risk of improper authorisations of invoices and credit notes. We will revisit this area during the next planned audit of Accounts Receivable

Assurance Review of GY2211 Housing Benefits and Council Tax Support

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Overpayments, arrears and write offs	0	1	1	0
Quality Assurance	0	0	1	0
Procedures	0	0	1	0
Payments	0	0	1	0
Performance Management	0	0	0	1
Total	0	1	4	1

No action points arose in respect of Receipt and Assessment of Applications; Backdated Claims; Discretionary Payments; and Reconciliations.

SCOPE

The objective of the audit was to review the systems and controls in place over Housing Benefit and Council Tax Support, to help confirm that these are operating adequately, effectively and efficient.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of one 'important' and four 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'operational effectiveness matter', which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.
- The previous audit report for Housing Benefits and Council Tax Support (GY/20/11) was issued in October 2019. It concluded in a 'Substantial Assurance' opinion with one 'needs attention' recommendation being raised. This indicates a negative direction of travel, although there are extenuating circumstances which have meant that some of the service's resources have been redeployed to undertake Covid-19 related tasks.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- Changes/information regarding the benefits system are received through the Housing Delivery Division (HDD) communications process from the DWP which are disseminated to the team as appropriate. DWP circulars are also shared as appropriate and saved in the teams shared drive for accessibility. This helps ensure that key information and legislative changes are actioned when required.
- Evidence is maintained showing that annual updates to the Civica system are updated, checked and authorised, and that Civica system updates are independently checked and tested. This ensures that benefit payments are correctly calculated.
- The Responsive Support Team Manager undertakes a monthly review of system access to Civica. The monthly reviews ensures that users are accessing their Civica account regularly and to ensure that users are changing their password every 30 days. Spreadsheets are maintained which lists all the groups on the system and monthly reports showing the functions in each group and then the users assigned to those groups. These are checked against each other to ensure they have the correct documentation to cover the user being in the right group. The groups are assigned according to the request made on their access request forms. This ensures officers have access based on their job role and access to relevant computer systems is restricted to relevant, authorised personnel.

- New claims and changes in circumstances are input correctly and the supporting information retained, being scanned in to support the Civica entries, thereby ensuring payments are valid and promptly processed.
- Testing of backdated claims confirmed they were for the correct timescales, and were supported by claim forms and internal decision memos. This helps to ensure that backdates are justified and paid correctly.
- Testing of overpayments confirmed they were classified correctly for subsidy purposes and the appropriate route for recovery of overpayments is taken, i.e. recovery through ongoing benefit or raising of debtor invoice. This facilitates the correct subsidy claim, and helps to mitigate the risk of financial loss.
- Discretionary Housing Payments (DHPs) had supporting claims in place which were correctly input by an independent person to the decision maker in order to provide a separation of duties, helping to ensure that payments are made only to eligible claimants.

ISSUES TO BE ADDRESSED

The audit has highlighted the following areas where one 'important' recommendation has been made.

Overpayments, Arrears and Write Offs

- The four incorrectly authorised amounts be revisited by the Revenues & Benefit Service Manager for correct authorisation and issue raised at the Revenues and Benefits Managers meeting.

The audit has also highlighted the following areas where four 'needs attention' recommendations have been made.

Quality Assurance

- Full quality checking be undertaken, including random testing, at a sufficient level to meet the internal 4% target. If there are months when the 4% is not achieved, then the reasons for this should be documented.

Procedures and Legislation

- A timetable be produced to review, update as appropriate, and add version control details to all procedures that are in place for the HB and CTS team. This should include adding version controls details to the discretionary payments guidance and overpayment recovery procedures, ensuring the inclusion of 'other' classification in these.

Overpayments, Arrears and Write Offs

- To update the write off authorisations, in the Council Tax, Business Rates, Sundry Debts and Housing Overpayments Recovery Guidelines, to reflect the current officer job titles/roles.

Payments of housing benefits

- To produce documented procedures for the high value payments process which should include email confirmations to the Responsive Support Team (which state whether to proceed or hold back high value payments) to include confirmation that all payments have been checked to ascertain if they are four weekly cyclical payments, and in these cases no further checks are necessary, with the exception of first payments being more than £1k.

Operational Effectiveness Matters

The operational effectiveness matter, for management to consider relate to the following:

Performance Management

- Consideration be given to including a performance indicator of % of claims (for both new claims and change in circumstances) which have all the required information when new claim or change of circumstances is received.

Previous audit recommendations

The previous report on Housing Benefits and Council Tax Support (GY/20/11) was issued in October 2019, with a 'Substantial' assurance opinion having raised one recommendation. This recommendation related to the quality review/assurance which is still an issue raised within the current audit, a new recommendation being raised to take account of the service's current circumstances.

Other points noted

Over the past 18 months, major initiatives have been put in place, in all areas of the Revenues and Benefits Service, to help with the pandemic, which have impacted vastly on the officer's resources as they carried out the administration of these, in addition to their normal day to day work. An example of this, in particular to the benefits team, is the administration of the test and trace scheme which is still ongoing until at least the end of March 2022. This heavily impacts on the benefits assessor and team leader roles, as well as required reporting to government and the finance team, having to be undertaken by the Benefit and Council Tax Team Manager and Performance Officer.

Assurance Review of GY2212 Council Tax and NNDR

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Policies & Procedures	0	0	1	0
Collection of Income	0	0	1	0
Quality Assurance	0	1	0	0
Arrears and Write Offs	0	0	1	0
Total	0	1	3	0

SCOPE

A key financial system feeding into the statement of accounts requires regular review. In addition a proportion of this coverage will be used to provide assurance on the issuing of Covid-19 business grants including discretionary payments. A detailed review of business grants end to end processes, and evidence of due diligence requested to provide assurance that grants have been paid correctly, has been undertaken in a separate audit of Business Support Grants (GY2221).

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of one 'important' and three 'needs attention' recommendations being raised upon the conclusion of our work.
- The previous audit report for Council Tax and NNDR (GY/20/05) was issued in September 2019. It concluded in a 'Reasonable Assurance' opinion with one 'important, one 'needs attention', and one 'operational' recommendation being raised. This indicates a negative level of assurance, although there are extenuating circumstances which have meant that some of the service's resources have been redeployed to undertake covid-19 related tasks.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- System parameters were correctly set for both Council Tax (CTAX) and National Non-Domestic Rates (NNDR) before the start of the financial year, and obtained the appropriate signoffs from a senior officer. This contributes to correct annual billing.
- Reconciliations between Civica and Valuation Office Agency lists were completed accurately, and reviewed, in a timely manner. This facilitates the correct billing of NNDR and CTAX accounts.
- Actions for NNDR and CTAX accounts, such as direct debit set ups and changes of address were generally found to be completed promptly and accurately. While individual samples reviewed exceeded processing targets, the average processing times were within target. This helps ensure that, in the majority, bills are issued in a timely manner.
- Monthly reconciliations of income, refunds, and write-offs were completed between Civica and Integra were determined to have been completed in a timely manner, with supporting documentation retained, along with the required signoffs, thereby facilitating accurate records on both Civica and the general ledger.
- Refunds for CTAX and NNDR accounts were reviewed and authorised in accordance with delegated authority limits. Sample testing performed observed authorisations across multiple authority levels. This facilitates income optimisation to the council and reduces the risk of incorrect refunds.
- Samples of discount, exemptions, and reliefs were reviewed for CTAX and NNDR. All samples were determined to have been awarded appropriately, and were supported by required proof. This provides assurance that council tax and NNDR charges are reduced correctly and mitigating the risk of loss of income through incorrect application.

- Performance measures are in place, monitored and reported. The monthly Performance Framework tracks a suite of KPI across CTAX and NNDR, providing management a means to track performance established targets. Risks were documented and tracked through Business Impact Assessments, and Risk Assessments, allowing Management to identify relevant risks, and planned mitigating actions.
- Controls for the processing of Covid business grants were determined to be in accordance with government guidance, and in conjunction with sample testing, are operating effectively, thereby facilitating accurate grants being approved.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where one 'important' recommendation has been made.

Quality Assurance

- QA procedures to be implemented for NNDR and Sundry Debts. A minimum number of completed reviews should be established, and incorporated into performance reporting, along with performance against those targets.

The audit has also highlighted the following areas where three 'needs attention' recommendations have been made.

Policies & Procedures

- Management to ensure that all procedures are assigned to an individual for regular review, and that updates are completed on schedule.

Collection of Income

- To ensure that the credit balances quarterly review process is completed as intended, and timetables adhered to, Management to review the performance against the plan after the first completed quarter, utilising the retained evidence of the reviewed reports, and to revise the plans/timetables as necessary.

Arrears and Write Offs

- Management to review the performance against the recovery schedule/plans after the first completed quarter, utilising the retained evidence of the reviewed reports, and to revise the plans as necessary.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

The previous audit of Council Tax and NNDR (GY/20/05) was completed in September 2019 with a 'Reasonable' assurance opinion, one 'needs attention' recommendation, relating to the revision of procedures, remains overdue. This recommendation is superseded by recommendation number two in the management action plan below, the original recommendation having a revised implementation date of 31/03/2022.

Other points noted

Over the past 18 months, major initiatives have been put in place, in all areas of the Revenues and Benefits Service, to help with the pandemic, which have impacted vastly on the officer's resources as they carried out the administration of these, in addition to their normal day to day work. An example of this, in relation to the NNDR team, is the administration of the covid business support grants, which is still ongoing.

Assurance Review of GY2215 Environmental Services

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Service Planning	0	1	0	0
Private Water Supplies	1	0	0	0
Air Quality	0	1	0	0
Private Sector Housing	1	1	1	0
Environmental Permitting	0	1	1	0
Anti-Social Behaviour	0	2	1	0
Health and Safety	0	1	0	0
Animal Licensing	0	1	0	0
Waste and Cleansing	0	0	1	0
Risk Management	0	0	1	0
Total	2	8	5	0

SCOPE

The objective of the audit was to review the systems and controls in place over Environmental Services to help confirm that these are operating adequately, effectively and efficiently.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Limited Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'urgent', eight 'important' and five 'needs attention' recommendations being raised upon the conclusion of our work.
- The previous audit report for Environmental Services (GY/19/09) was issued in September 2018. It concluded in a 'Reasonable Assurance' opinion as a result of one 'important' and seven 'needs attention' recommendations being raised. This indicates a negative direction of travel, although there are extenuating circumstances which has meant that some of the service's resources have been redeployed to undertake COVID related tasks. Furthermore, the GY/20/16 Corporate Enforcement audit report was issued in September 2020. It concluded in a 'Reasonable Assurance' opinion as a result of five 'important' and two 'needs attention' recommendations being raised.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- Due to the effects of the pandemic on the Waste and Cleansing Team, an update was reported to the Environment Committee, in July 2021, on waste services that the Council focuses on kerbside recycling and fly-tipping. A Garden Waste Service update was also provided to the Environment Committee which included a service overview, current position, growth initiatives, service potential, the disruption to the service as result of Covid-19, and details of the Government waste proposals, i.e. Recycling Consultancy Consultation. This enables members to be kept informed of the situation and to be alerted to any issues that need addressing.
- General calls to the Environmental Services Team were put on hold during the first lockdown, with an increase in calls in 2021 compared to previous periods. However, as of December 2021, the associated backlog had been cleared demonstrating that the team is now back on track.
- Outstanding complaints relating to private sector housing amounted to 34 but by mid-January 2022, these had halved with the longest due back to beginning of December 2021. This demonstrates the increase in complaints being dealt with and that the oldest ones are around one month old.
- The LalPac computer system is used to manage licensing services. This includes the ability to run reports, for example of the status of taxi drivers Disclosure and Barring Service (DBS) checks, to ensure regulatory safety checks have been applied for all license holders. In relation to this, standards have been brought in to be implemented by the 1st April 2022, as issued by the department of transport. The Licensing Committee received and approved the information to enable these standards to be formally included in the Licensing Policy with effect from 1st April 2022. This enables the Licensing Team to be up to date with legislative changes.

- A Covid response team was set up to deal with the pandemic which includes Covid marshals, testing and track and trace services, the Covid Response Manager, liaising with other Council services and external bodies including the Police and community Groups. There is also access to Norfolk County Council information to identify spikes, etc. and receiving a weekly case rate updates from the Council's Resilience Officer.
- The contain outbreak management fund (COMF) has been used to help fund this team with the potential for this funding to go into 2022/23, posts within the team being currently extended to 31st March 2022.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where two 'urgent' recommendations have been made.

Private Water Supplies

- To ensure that all private water supplies are subject to inspection in accordance with the private water supply regulations.

Private Sector Housing

- To agree a timescale for the completion of the overdue HMO interim inspections, adding this information to the Civica records, and for these records to be updated with supporting documents. To also consistently use the action diary facility on Civica, to add actions/events such as date licensing application made, payment received and full licence issued.

The audit has also highlighted the following areas where eight 'important' recommendations have been made.

Private Sector Housing

- To agree a timescale for the completion of the year four inspections, in respect of the private rented housing selective licensing scheme relating to the Nelson Ward,

Service Planning

- A Service Recovery and Improvement Plan be produced for all services which are not back to business as usual following the pandemic, and to monitor and implement overdue audit recommendations, including new ones from this current audit.

Air Quality

- The 2020 Air Quality Annual Status Report (ASR) be submitted to DEFRA and then reported to the Environment Committee.

Environmental Permitting

- The Environmental Permitting Inspection regime spreadsheet be updated to ensure that:
 - Inspection frequencies are correct;

- Closed businesses are removed:
- All completed inspections are shown as such; and
- All due inspections are correctly dated.

Anti-Social Behaviour

- A review of the Anti-Social Behaviour Strategy 2018 – 2023 be undertaken, reported to the Policy and Resources Committee and annual action plans re-instated.
- All ASB activity, including number of cases, to be effectively managed and recorded with supporting evidence retained.

Health and Safety

- To submit the 2020/21 annual return on Health and Safety activity to the Health and Safety Executive (HSE), in relation to annual health and safety inspection and enforcement activity undertaken by the Council.

Animal Licensing

- To agree a timescale to re-commence investigation work in relation to the three potential prosecutions involving animal welfare.

The audit has also highlighted the following areas where five 'needs attention' recommendations have been made.

Private Sector Housing

- The updated selective licensing and Houses in Multiple Occupation (HMO) registers to be published on the Council's website

Environmental Permitting

- To consider using the Civica system to manage the environmental permitting process, in place of separate management documents, (word and excel).

Anti-Social Behaviour

- To produce documented procedures for the ASB function, including the role and responsibilities of the ASB coordinator.

Waste and Cleansing

- Monthly reports, relating to GYBS provided services, e.g. fly tipping removal response, litter bin inspections, grass cutting inspections, and review of refuse rounds, are re-commenced.

Risk Management

- To include service risks within the Environmental Services Managers meeting agenda. Minutes of these meetings should also be recorded to demonstrate how risks are being managed and progressed.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

Following review of the previous internal audit recommendations, nine were confirmed as still outstanding, which were discussed with management and revised deadline dates agreed, with one recommendation being superseded by a recommendation raised within this report. The control issues are still present but the recommendations have been expanded and modified to reflect the testing results and current situation.

Outstanding recommendations are detailed in Appendix 1.

Other points noted

- A re-structure of the Environmental Service Team was put into effect in January 2022 and therefore is in its infancy, with a phased approach, to operationally implement this, taking place across the team.
- The Corporate service improvement plan (SIP) template for 2021/22, which is aligned to the Corporate Annual Action Plan (AAP) does not include a service risk section. This has not been raised as recommendation within this report due to this issue being covered in the GYBC Risk Management Audit (GY2202) which is timetabled to start on 9th March 2022. Furthermore, a recommendation relating to the inclusion of service risks within the Environmental Services Managers meeting agenda, has been included within this current audit.
- The stray dog contract, managed by the Waste and Cleansing Team, expired in April 2020. However, there are not many suppliers of this service. Formal tendering is however required to ensure contract procedure rules are adhered to and VFM is achieved. This has not affected the running of the service and the current contract has been adhered to since it formally expired, with the timescale for formal re-tendering and new contract to be in place by 30th June 2022, therefore no recommendation has been raised.
- In January 2022, there has been questions raised around the process of the designation of the Selective Licensing area in the Nelson Ward in 2019 and therefore, legal counsel advice is being sought to understand the implications of this on the future of the scheme and its delivery, and as a consequence, all enforcement action has been put on hold.

Before this issue was established, the audit also ascertained that, due to Covid-19, year three inspections had not taken place with the decision for when year four inspections will take place to be made by management, hence these are not yet been planned in. Therefore, a recommendation has been included within this report.

Food hygiene inspections were not undertaken for 18 months during the pandemic with advice from the Food Standards Agency (FSA) to cease inspections unless they are due to a high risk or a complaint, a follow up had been planned, and to also give advice to businesses. A programme/plan is now in place so that a triage approach is undertaken, as agreed by the FSA and confirmed in the FSA Local Authority Recovery Plan (FSA LARP), which included the provision of funding to assist with triaging new businesses for initial inspection, enabling local authorities to deploy other resources more effectively and efficiently during the recovery period. This includes a number of businesses that have been assessed as low risk and have been given an alternative enforcement strategy/ inspection. Competent Authorities that decide to subject food business establishments to alternative enforcement strategies, must ensure their alternative enforcement strategy meets set criteria in line with the Code of Practice.

Businesses which are not new, are being inspected on a risk basis so those which are higher risk will be prioritised by officers. Those existing businesses which are overdue inspections will be inspected. If a complaint is received or intelligence that a business has issues, depending on the nature, they may be prioritised further.

The latest FSA LARP provides a timeline for the recovery plan (all establishments rated category A for hygiene to have a received an onsite intervention by 31st March 2022 and prior to this, prioritisation of all new business by 30 Sept 2021), with good progress being made by the team.

In addition, as agreed with the FSA, the Council is contacting all new businesses providing advice and guidance, adding them to the food hygiene rating scheme as awaiting inspection undertaking visits/inspections in relation to complaints, revisiting those who in receipt of enforcement notices, and visiting business which are A or B rated - to meet the minimum expectations set out by the FSA in the COVID Local Authority Recovery Plan Q&A.

Food Hygiene KPIs, are reported on quarterly which are a) % of food premises scoring 3 star food hygiene ratings or above (EN01a) and b) Number of food premises inspected (EN01b). EN01a outturns has been categorised as green for the first 3 quarters of 2021/22 but EN01b is categorised as red, even though the outturn has improved between quarter 1 and quarter 3. Due to this improvement and the FSA recovery plan being worked towards, no recommendation has been made.

- Ship sanitation work/inspections have recommenced although limited to two a week rather than five, due to the limited capacity. However, this is not a statutory service with the team balancing this activity with their statutory requirements.
- The Government has recently issued a consultation on a number of proposals which would place new requirements on local authorities for recycling and could have significant effects on the way the Borough Councils deliver their services. The intent of these proposals is to increase recycling both at a household and business level. If instigated, these proposals could start to come in to effect from 2023.

The outcome of the consultation is expected by December 2022 although the Council is already gearing up for the changes including accounting for the 'New burdens funding' being provide by Government to cover some, if not all, of the implementations.

- Due to the pandemic, the procurement of a new system, to replace the Civica system, was put on hold. The Head of Environmental Services stated that the plan is for this to be out to procurement in the April – May 2022 period with a phased implementation across the team, starting from December 2022, at the latest.

Assurance Review of GY2203 Annual Governance Statement

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Governance	0	0	1	0
Local Code of Corporate Governance	0	0	1	0
Supporting Evidence	0	0	1	1
Total	0	0	3	1

SCOPE

This audit was undertaken to provide assurance that compliance with the Councils' governance code can be evidenced and that the Annual Governance Statement (AGS) is produced to follow the CIPFA and Solace Delivering Good Governance in Local Government. This review was carried out consortium wide to draw on similarities and relevant good practice.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'operational effectiveness matter', which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.
- External Audit have not undertaken their audit of the 2020/21 accounts; we are therefore unable to provide assurance over the Council's financial arrangements as reflected in the AGS because the accounts have not yet been signed off.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- The Corporate Risk Officer has overall responsibility and ownership for the Annual Governance Statement process. Input is received from all departments via completion of assurance statement assessments which inform the Annual Governance Statement and review of the Local Corporate Governance Code.
- The Annual Governance Statement was reviewed and approved by the Audit and Risk Committee on 14th June 2021.
- The Local Code of Corporate Governance is reviewed annually with input requested from all departments.
- The role of internal audit and key findings from its work are included within the Annual Governance Statement. The overall Internal Audit opinion (Reasonable) was stated for 2020/21.
- In compliance with the CIPFA guidance, The Annual Governance Statement includes the role of internal and external audit, assessments of risk and control, effectiveness of key controls and partnership arrangements, and refers to the Head of Internal Audit Opinion.
- The Annual Governance Statement includes specific reference to the fact that External Auditors have yet to complete their audit of the financial accounts for 2020/21.
- The action plan, supporting the Annual Governance Statement, is based on the composite report compiled on the basis of the self-assessment responses provided by management.

- The AGS clearly communicates what has been done to resolve significant control issues and what remains to be done. The Action Plan includes significant control issues that have been identified. Each item communicates the actions taken and what remains to be done, as well as due date for completion for each item.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where three 'needs attention' recommendations have been made.

Governance

- The timetable for completion of the Annual Governance Statement, including the Self-Assessment Process, is documented and shared with the Officers who contribute to it.

Local Code of Corporate Governance

- A review of the "Policies and Strategies" and "Plans and Performance" sections of Council's website to be completed to ensure the most up to date documents are uploaded to the website, and to identify items due for update.

Supporting Evidence

- The Annual Governance Statement for 2021/22 and thereafter, to include more detail on role of internal and external audit for the prevention and detection of fraud.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

- Management to consider the use of hyperlinks to key governance documents to be utilised within the AGS to facilitate a more user friendly statement.

Previous audit recommendations

This is the first Annual Governance Statement audit for the Council however, the Key Control and Assurance audit includes a review of the Assurance Framework. One recommendation was made on the Assurance Framework process in the Key Control and Assurance audit undertaken in 2020/21, which remains outstanding and is referenced below.

Other points noted

An audit recommendation was raised in the 2020/21 Key Control and Assurance audit relating to the non-return of Assurance statements, which was also observed in this audit. However, the final report for the Key Control and Assurance audit was issued in September 2021, with the AGS for 2020/21 being completed in June 2021. As such, this recommendation remains open, and no additional recommendation has been raised. The Corporate Risk Officer has stated that the recommendation will be implemented for the 2021/22 AGS. The outstanding recommendation will be followed up as part of the audit cyclical follow up process.

Assurance Review of GY2202 Risk Management

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Risk Management	0	4	4	3

SCOPE

This review focuses on the framework in place to manage corporate and operational risk at the Council, to ensure that these are appropriately recorded, monitored and reported upon, with escalation in place should this be required.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of four 'important' and four 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised three 'operational effectiveness matters', which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.
- The previous audit report for Risk Management (GY/19/09) was issued in October 2018. It concluded in a 'Reasonable Assurance' opinion as a result of five 'needs attention' recommendations being raised. This indicates a negative direction of travel.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- The Risk Management Framework is up to date, having recently being reviewed in January 2022, which includes details of leadership and responsibility, role of the Executive Leadership Team (ELT) and risk management approach and methodology, amongst other information. This facilitates a consistent approach to follow for the assessment and management of risks.
- Quarterly meetings are held for the Corporate Risk Group (CRG), this process enabling the CRG to achieve its outcomes, as documented in the CRG Terms of Reference. The outcomes include, but are not limited to, provision of an officer coordinating group with an overview of corporate risk; ensuring ensure that the Council have a suitable Risk Management Framework to address; and to regularly review the Corporate Risk Register (CRR) and Partnership Register (PR).
- Risk management reports to ELT/Management Team (MT) and the Audit & Risk Committee (A&R) contain details of risks that have increased or reduced in rating, and risk that have been removed or added. Furthermore, within the risk register itself, there is a direction of travel column to categorise each risk as follows: No change to current risk rating; Current risk rating has reduced; and Current risk rating has increased, enabling report readers an overview of risk movement and how each risk is progressing.
- Quarterly meetings are held with Heads of Service, Directors and risk owners, to review the corporate risks, which enables risks to be assessed on a regular basis.

ISSUES TO BE ADDRESSED

The audit has highlighted the following areas where four 'important' recommendations have been made.

- The PR to be reviewed and updated, taking into account the Outside Bodies report, and to consider whether this can be reduced to key partnerships whilst keeping a track of all key risks.
- The risks within the CRR be linked to the council's strategic priority areas or associated key outcomes, as set out in the councils corporate plan ('The Plan 2020 - 2025').
- A service risk register template is introduced for the 2022/23 financial year which is in line with the CRR template and methodology. These should be reviewed by the CRG during the first quarter of each financial year and subsequently reviewed for any material changes.
The Corporate Risk Register be changed to include allocating both a current and target score to the risks. This will allow oversight of the current exposure with current controls in place and indicate what the target score will be after mitigating actions have been completed.
- The CRR be changed to include allocating both a current and target score. This will allow oversight of the current exposure with current controls in place and indicate what the target score will be after mitigating actions have been completed.

The audit has also highlighted the following areas where four 'needs attention' recommendations have been made.

- A review and update of the council's Risk Management page on the intranet be undertaken, including uploading the most recent copies of documents. This should include agreeing a timescale with the Information Management and Technology (IMT) team of when this will be possible
- The risks on the CRR where the risk rating score has not been reduced over the last 12 -15 month period, be reviewed by ELT/MT.
- Version control details to be added to the CRG terms of reference (ToR) including date of last review, reviewer name and date of next review due.
- Corporate Risk Management training be made available for staff where relevant and appropriate.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

- The CRG be consulted with, to agree the circumstances in which to de-escalate risks from the CRR and once agreed, to document this within the Risk Management Framework.
- Consideration is given by the CRG to include service risks as a standing agenda item.

- Consideration is given to allocating a lead risk owner to each corporate risk, rather than assigning to multiple officers.

Previous audit recommendations

The audit reviewed the previous internal audit recommendations, of which none remain outstanding.

Other points noted

- It is common practice to have a risk appetite defined by a specific risk rating range and anything scored above the risk appetite, is classed as outside of the risk appetite. Therefore, risk scores denote whether they are in or outside of the risk appetite. However, the council's risks methodology also includes a risk score range of 5 - 9 which is denoted as 'Acceptable with some mitigating and contingency planning. Routine reviews should be carried out to ensure there is no change which makes them more severe.' This is in addition to a green risk score range of 1 – 4 which is denoted as being within risk appetite, in addition to the score range of 10 – 25 which is classed as outside of the risk appetite. The Corporate Risk Officer stated that they have no issues with the methodology in practice, and therefore no recommendation has been made.

There are 26 risks on the risk register, which include two recommendations split into two parts, i.e. A and B, and one recommendation which is split into A, B and C. The Corporate Risk Officer has stated that they are all risks that will have an impact on achieving corporate objectives and therefore need to be recorded and managed. This, however is high in comparison with other Local Authority Strategic/Corporate Risk Registers. The recommendations made in this report may help to de-escalate/reduce the number of risks, therefore no further specific recommendation is made.

DRAFT Assurance Review of GY2206 Key Controls and Assurance

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Accounts Payable	0	0	1	1
Payroll and HR	0	0	2	0
Housing Rents	0	0	1	0
Total	0	0	4	1

SCOPE

This audit covers an annual review of key controls that feed into the Statement of Accounts, for those systems that are not subject to an audit review within the 2021/22 audit plan.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of four 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'operational effectiveness matter', which sets out a matter identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.
- The previous review of Key Controls and Assurance (GY/21/07), completed in September 2021, also concluded in a 'Reasonable' assurance having raised three 'important' and five 'needs attention' recommendations. This indicates a positive direction of travel since the previous audit.

KEY FINDINGS

Key Controls Testing

There are a number of key controls within the fundamental financial systems that are required to be covered by internal audit each year, in order to support the Annual Governance Statement (AGS) and the Head of Internal Audit's Annual Report and Opinion.

The following audits were subject to full sample testing as part of this key controls audit:

- Payroll and HR
- Housing Rents
- Car Parks Income
- Accounts Payable

This audit will refer to the conclusions drawn from the following systems, where full year testing was applied in a separate audit:

- Accounts Receivable – GY2209 – issued 29th March 2022
- Housing Benefit and Council Tax Support – GY2211 – issued 22nd March 2022
- Council Tax and NNDR – GY2212 – issued 16th March 2022

- Income – GY2210 – issued 7th December 2022
- Accountancy Services which incorporates the areas of; Asset Register, General Ledger, Control Accounts, Treasury Management and Budgetary Control - GY2208 – issued 30 June 2022
- Annual Governance Statement – GY2203 – draft report issued 8th June 2022

ISSUES TO BE ADDRESSED

The audit has highlighted the following areas where four 'needs attention' recommendations have been made.

Accounts Payable

- Inactive suppliers be deactivated on a rolling programme where oldest suppliers are deactivated first.

Payroll and HR

- To ensure the checking of 'leavers' records is formally recorded on the payroll checking spreadsheet.
- To ensure evidence is saved to support employee start dates.

Housing Rents

- Checking and approval of reconciliation of the Housing Rent system with the Cash Receipting System, are completed within the five working day timeframe. Alternatively, timeframes be reviewed to ensure they are achievable.

Operational Effectiveness Matters

The operational effectiveness matter, for management to consider relates to the following:

- Accounts payable - A quarterly analysis of overdue invoices is undertaken, to highlight those taken longer than both 30 and 100 days, which is reviewed by the Finance Team Leader and escalated to the Finance Manager, when necessary. This provides greater oversight of problem areas within the council services where invoices are taking a particularly long time to be processed for payment.

Previous audit recommendations

The audit reviewed the previous internal audit (GY2107) recommendations, of which one remained outstanding, relating to the Annual Governance Statement – ‘The non-return of completed Assurance Statements be escalated to the corporate risk group and reflected in the wording of the AGS, to show the percentage return rate’. This was discussed with management as part of the regular audit cyclical follow up process, and a revised deadline date agreed of 31/07/2022.

Other points noted

- The new starters form was not signed by the manager, for the election staff sample tested. This however has not been raised as a recommendation due to this being an isolated lapse in control.
- Sample testing of two weekly NNDR reconciliations between the system, and the Valuation Officer Listing, identified one reconciliation which was reconciled within eight days, which is longer than the recommended period of five days. Due to this being a one-off, no recommendation has been raised.
- Testing of one reconciliation between the Housing Benefits System and the General Ledger identified that the reconciliation sign off was undertaken more than a month after the period being reconciled. However, this may have been due to an error in not saving the sign off when it was actually completed. Due to this being a one-off and the audit being in receipt of the last 2021/22 reconciliation (March 2022), which was signed off in a timely manner, no recommendation has been raised.
- A spreadsheet is used by HR to record changes to employment contracts. However during the audit, it was not clear that the required checks to verify variations/changes to contracts, were being formally documented. This issue has since been rectified with evidence received by audit showing that a consistent approach is now being applied to the recording of employment changes.
- Sample testing of housing rents arrears identified one tenant who was provided with a council garage, despite having rents arrears amounting to circa £4k. The documented procedures state that the tenancy is checked and any breach or housing related debts means that an offer of a garage is not made to the tenant. In this instance, it was down to officer error who has been made aware of this and reminded of the procedure to follow. Also, the Tenancy Team has updated the IT system process to support an improved service and reduce opportunity for this situation to reoccur. Therefore no recommendation has been made.
- Data analytics was performed on the full population of purchase orders raised since 01/04/2021, and from this testing, it was identified that there was one exception, where the same user had raised and authorised a purchase order. Purchase order was raised on 19/07/202 and authorised on 23/07/2021 for the value of £1350. The above mentioned exception was later identified by the Finance Team leader and as a result the requester/authoriser's privileges related to 'raising PO' was deactivated (but authorisation of PO's was maintained).
- Collection of former tenant arrears (FTA) ceased during the pandemic due to resources and concentrating on getting current arrears recovered, in addition to processes being adapted to take into account financial problems experienced by tenants as a result of the pandemic. Collection of FTA recommenced from September 2021 with notices of serving possessions once again issued due to courts being opened up again. However the manager has now confirmed that the team are currently understaffed, only having 4.5 FTE staff in the team due to vacancies. It is envisaged that the team will return to normal staffing levels mid July 2022, of 8 FTE. After a period of 'bedding in' for the new staff, collection of arrears can then re-commence. During this time they have been completing

critical day to day works and arrears collection has been placed on hold. Testing of arrears will be covered in more detail in the full Housing Rents audit, due to be undertaken in quarter four of the 2022/23 financial year.

DRAFT Assurance Review of GY2208 Accountancy Services

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Treasury Management	0	0	2	0
Asset Register	0	1	0	0
Total	0	1	2	0

No recommendations have been raised in respect of budgetary control, journals, general ledger or control accounts.

SCOPE

The scope of the audit included treasury management, budgetary control, journal entries, general ledger maintenance, control accounts and the asset register. These key financial systems feed into the Statement of Accounts and requires regular review to confirm the adequacy and effectiveness of controls in these key areas.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable' assurance in managing the risks associated with the audit. The assurance opinion has been derived as a result of one 'important' and two 'needs attention' recommendations being raised upon the conclusion of our work.
- The previous report of Accountancy Services (GY2002) was issued in October 2019 with a 'substantial' assurance opinion, as a result of no recommendations being raised. This therefore shows a negative direction of travel within the control environment.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- The Council has an up-to-date Treasury Management Strategy and Policy. These adhere to the CIPFA Treasury Management Code of Practice, and the Council has considered recent and forthcoming changes to the Code. This helps to ensure that funds are invested prudently.
- Documented procedures are in place for budgetary control, general ledger maintenance, including journals, control accounts, and asset register, thus helping to ensure staff are aware of correct practices to follow.
- Arlingclose provides the Council with treasury management advice. This helps ensure the Council receives professional advice on their investment activity.
- Investment options are clearly documented, including the identification of investment options, decisions made and the transfer of funds, and including evidence of independent approval, in line with delegated responsibility.
- The 2020/21 budget was set in accordance with agreed timescales. Evidence was provided to show service heads involvement and agreement to budgets set.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following area where one 'important' recommendation has been made.

Asset Register

- Reconciliations of the asset register to be brought up to date as soon as possible and be reconciled at least annually, thereafter. (Last reconciliation in March 2019).

The audit has also highlighted the following areas where two 'needs attention' recommendations have been made.

Treasury Management

- To publish the Treasury Management Strategy for 2022/23 on the Council's website via its 'Policies and strategies' page.
- Monthly Treasury management reconciliations to the general ledger to be signed and dated by the preparer and reviewer.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

The previous report of Accountancy Services (GY2002) was issued in October 2019 with a 'substantial' assurance opinion, as a result of no recommendations being raised.

Other points noted

As reported in the previous review of Key Controls and Assurance (GY2107 – issued September 2021), the Council's process for journals is that journals over £50k and any cash journals are independently reviewed and authorised, while other journals can be posted by any officer in Finance without independent authorisation. The system does not enforce segregation of duties. The Council has considered and accepts the risk associated with this policy citing compensatory controls that only finance staff can undertake journals, that the system does not allow any unbalanced journal to be processed or those without a budget code allocated. In addition, further compensation was noted that Management Accountants review and monitor accounts on a monthly basis and errors would be identified. This practice remains unchanged.

The last external audit report was issued in September 2020 and related to the financial year ending 31st March 2019. The 2019 report stated that it identified a number of material errors in the accounts that were corrected by management. There were no further matters to report. The Finance Manager confirmed that the 2019/20 accounts were not signed off until December 2021 and therefore the 2021 external audit will not be completed until June 2022; the delay was owing to Covid-19 and external audit resourcing issues, and is not an indication of any significant problems.

DRAFT Assurance Review of the GYN Arrangements

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Council's objectives for the joint venture	2	0	0	0
Managing the workflow	1	2	0	0
Managing outcomes from completed works	1	1	0	0
Voids	0	3	0	0
Stores	1	2	0	0
Canopies	1	0	0	0
Fire Doors	0	1	0	0
Total	6	9	0	0

SCOPE

This audit forms part of the 2021/2022 audit plan and commenced to review invoicing processes for the Joint Venture Company (GY Norse Ltd), which was established in 2014 between the Council and the Norse Group, for the delivery of services relating to council housing asset management. Our review focused on the works process from the point of confirmation of completed works to invoicing and evaluating the systems used to inform this process, demonstrating materials purchased and utilised, completion of works and post inspection.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Limited Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of six 'urgent and nine 'important' recommendations being raised upon the conclusion of our work.
- The review did not include a full review of the GYN contract arrangements, as such there may be areas outside of this scope where controls are operating effectively.

ISSUES TO BE ADDRESSED

The audit has highlighted the following areas where six 'urgent' recommendations have been made.

Council's objectives for the joint venture

- The Council to decide whether the original objective of the joint venture is still operating and works for all parties, whether the objective itself is still relevant and fit for purpose. The outcome to determine the strategic direction for the service.
- The Council to review the GYN service agreement to decide whether the specifications meet the requirements of the Council/contractor/joint venture arrangements, are effective in delivering the service, without duplication, providing clarity to both parties. Consideration should also be given to devising clear protocols, a structure chart, lines of reporting, clearly defined roles and responsibilities, monitoring of delivery, reporting requirements for meeting the Councils objectives.

Managing the workflow

- The Council to reconcile all jobs still open on the OMS system to the works completed by GYN from records held on the Norse TOTAL system. Any jobs still open on the TOTAL system to be assessed, reported on and actioned.

Managing outcomes from completed works

- Within the current processes, a reconciliation of completed works from the Norse Total system/done report to the Councils HMS system and spreadsheets of works, along with supporting sign off documentation being provided, should be undertaken every month, to verify that work has been completed, signed off for payment to be made and the HMS system is up to date for works completed.

Stores

- On completion of the stock check in GYN stores, the Council should trace the addresses of the properties named on each kitchen back to the records of completed works and works outstanding, ascertain whether a kitchen has been fitted or works no longer required. To also contact the tenant to verify whether a kitchen has been fitted/still required. To identify the cause of surplus ordering or delay and adjust processes to prevent future recurrences.

Canopies

- The Council to check through the properties identified as requiring a new canopy and notified to GYN and compare to the 'done' report to ascertain the completed properties. The remaining properties without confirmation to be referred to GYN to ascertain the current status of those properties canopies.

The audit has also highlighted the following areas where nine 'important' recommendations have been made.

Managing the workflow

- The Council consider investing in a dedicated housing maintenance system to manage the works, which is accessible by both the Council and GYN to complete the assigning, costing, completion and monitoring of works.
- The service should be benchmarked with national standards, including areas such as voids, systems and processes adopted and tenant feedback to ascertain current performance and national expectations.

Managing outcomes from completed works

- The monthly cost challenge process to be redesigned. To ensure that the costing implications are an accurate and fair reflection of the work completed, that all parties agree to and payments reflect the fair charges actually incurred.

Voids

- The variations identified between the initial survey and subsequent VOs should be reviewed to ascertain the underlying causes for the VOs. Where there are repeated issues, ascertain whether this is due to the initial survey requiring update or additional works being added.
- The Council's surveyor checklist be revised to incorporate all relevant areas that need to be considered.
- The process for completing void inspections and undertaking works to be reviewed, to avoid duplication in undertaking surveys, identifying all works through the Council's initial survey and monitoring of works completed. The void process to be discussed with the joint venture for expectations and responsibilities for each part of the process.

Stores

- To ascertain a process for procuring future items that includes checking stores, to verify whether there is already an item, such as a kitchen, in stores that could be utilised prior to purchasing further items.
- The process for managing stores items for the Council to be reviewed, to ascertain whether GYN stores is the appropriate store, and introduce stores management controls to manage the items into, held and out of stores, including review of long standing items, whether still required and how they are accounted for, with the stock check being completed and valued.

Fire Doors

- The Council to seek from Norse a report from TOTAL identifying who was responsible for approving the fire doors payment in March 2021. To ascertain how jobs not completed had been included on the 'done' report.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

There are no outstanding internal audit recommendations from previous reviews relevant to this audit.

Subject: HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021/22

Report to: Audit and Risk Committee,

Report by: Faye Haywood, Head of Internal Audit for Gt Yarmouth BC

SUBJECT MATTER

This report concludes on the internal audit activity undertaken during 2021/22 it provides an Annual Opinion concerning the Council's framework of governance, risk management and control, concludes on the effectiveness of internal audit and provides key information for the Annual Governance Statement.

1. INTRODUCTION / BACKGROUND

1.1 In line with the Public Sector Internal Audit Standards (PSIAS) an annual opinion should be provided which concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This should include:

- A summary of the work that supports the opinion should be submitted;
- Reliance placed on other assurance providers should be recognised;
- Any qualifications to that opinion, together with the reason for qualification must be provided;
- Disclosure of any impairments or restriction to the scope of the opinion;
- Comparison of actual audit work undertaken with planned work;
- The performance of internal audit against its performance measures and targets should be summarised; and,
- Any other issues considered relevant to the Annual Governance Statement should be recorded.

1.2 This report also contains conclusions of the review of the effectiveness of internal audit., which includes:

- The degree of conformance with the PSIAS and the results of any quality assurance and improvement programme;
- The outcomes of the performance measures; and
- The degree of compliance with CIPFA's Statement on the Role of the Head of Internal Audit.

2. MAIN BODY

2.1 The Annual Report and Opinion and the Review of the Effectiveness of Internal Audit are shown in the attached report.

3. FINANCIAL IMPLICATIONS

3.1 The internal audit service was delivered in line with the agreed budget for 2021/22.

4. **RISK IMPLICATIONS**

- 4.1 Failure to implement or improve internal controls may lead to risks associated with those controls materialising.

5. **CONCLUSIONS**

- 5.1 On the basis of the internal audit work performed in 2021/22 the Head of Internal Audit for Gt Yarmouth Borough Council is able to give a reasonable opinion on the framework of governance, risk management and control with a caveat that significant control weaknesses have been observed for Housing.

The outcomes of the review of the effectiveness of internal audit conclude that reliance can be placed on the opinions expressed within this report.

6.0 **RECOMMENDATIONS**

- 6.1 That the Committee:

- Receive and consider the contents of the Annual Report and Opinion of the Head of Internal Audit for 2021/22.
- Note the opinion given in relation to the framework of governance, risk management and controls for the year ended 31 March 2022.
- Note that the opinions expressed together with any significant matters arising from the internal audit work and contained within this report should also be given due consideration when developing the Annual Governance Statement for 2021/22.
- Note the conclusion of the review of the effectiveness of internal audit.

BACKGROUND PAPERS

Appendix – Annual Report and Opinion 2021/22.

Area for consideration	Comment
Monitoring Officer Consultation:	No
Section 151 Officer Consultation:	Yes
Existing Council Policies:	No
Financial Implications:	No
Legal Implications (including human rights):	No
Risk Implications:	Yes
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

Eastern Internal Audit Services



GT YARMOUTH BOROUGH COUNCIL

Annual Report and Opinion 2021/22

Responsible Officer: Faye Haywood – Head of Internal Audit for Gt Yarmouth Borough Council

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1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 1.2 Those standards – the Public Sector Internal Audit Standards - require the Chief Audit Executive to provide a written report to those charged with governance (known in this context as the Audit and Risk Committee) to support the Annual Governance Statement (AGS). This report must set out:
- The opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control during 2021/22, together with reasons if the opinion is unfavourable;
 - A summary of the internal audit work carried from which the opinion is derived, the follow up of management action taken to ensure implementation of agreed action as at financial year end and any reliance placed upon third party assurances;
 - Any issues that are deemed particularly relevant to the Annual Governance Statement (AGS);
 - The Annual Review of the Effectiveness of Internal Audit, which includes; the level of compliance with the PSIAS and the results of any quality assurance and improvement programme, the outcomes of the performance indicators and the degree of compliance with CIPFA’s Statement on the Role of the Head of Internal Audit.
- 1.3 When considering this report, the statements made therein should be viewed as key items which need to be used to inform the organisation’s Annual Governance Statement, but there are also a number of other important sources to which the Audit and Risk Committee and statutory officers of the Council should be looking to gain assurance. Moreover, in the course of developing overarching audit opinions for the authority, it should be noted that the assurances provided here, can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes subject to internal audit review. The annual opinion is thus subject to inherent limitations (covering both the control environment and the assurance over controls) and these are examined more fully at **Appendix 3**.

2. ANNUAL OPINION OF THE HEAD OF INTERNAL AUDIT

2.1 Roles and responsibilities

- The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements.
- The AGS is an annual statement by the Leader of the Council and the Chief Executive that records and publishes the Council’s governance arrangements.
- An annual opinion is required on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control, based upon and limited to the audit work performed during the year.

This is achieved through the delivery of the risk based Annual Internal Audit Plan discussed and approved with the Executive Management Team and key stakeholders and then approved by the Audit and Risk Committee.

The Internal Audit plan was approved at the meeting held 14 June 2021. This opinion does not imply that internal audit has reviewed all risks and assurances, but it is one component to be considered during the preparation of the AGS.

The Audit and Risk Committee should consider this opinion, together with any assurances from management, its own knowledge of the Council and any assurances received throughout the year from other review bodies such as the external auditor.

2.2 The opinion itself

The overall opinion in relation to the framework of governance, risk management and control at Gt Yarmouth Borough Council is **Reasonable** with a caveat that for controls relating to the area of Housing a Limited opinion should be observed.

In total, 17 assurance audits have been completed of which the majority (12 or 71%) have been given a positive assurance grading. A total of three of these have received a substantial grading in the area of Business Grants, Capital Programme Contracts and Income. The number of positive assurances given suggests a stable control environment overall.

However, in all cases when housing controls have been reviewed during 2021/22 a limited assurance opinion has been indicated. In April 2021, the Council took the decision to bring the Housing Asset Management function back in house from the joint venture arrangement Great Yarmouth Norse. Following this, a number of concerns have been raised regarding the housing control framework. Internal Audit has been involved in supporting the review of these areas in 2021/22. The limited assurance results in this area suggests significant concerns with the ability of the Council to mitigate the risks associated with the management of its housing stock.

An Internal Audit investigation of window enclosure safety was undertaken at the request of senior management and has highlighted weaknesses in the approach to repairs that impact the Health and Safety of residents. A limited assurance grading was also provided in the area of GYN invoicing following an incident whereby the Council was billed for fire doors that were not installed. Two later additions to the audit programme in the area of Housing Compliance and Voids, now in their final stages, are also expected to be given Limited assurance gradings.

We therefore recommend that Council and GYN continue to work with internal audit to suggest improvements to the control framework in the area of Housing and suggests that until such time that an improvement can be demonstrated, the issues raised are highlighted within the Council's Annual Governance Statement.

The Internal Audit team has not been able to provide assurance over IT related areas in 2021/22 due to difficulties faced by the contractor relating to resourcing. The IT audit plan will be re-profiled over the three-year programme to ensure that the areas facing the greatest risk are audited as a priority in 2022/23.

The opinion has been discussed with senior management and the Section 151 Officer prior to publication.

3. **AUDIT WORK UNDERTAKEN DURING THE YEAR**

- 3.1 **Appendix 1** records the internal audit work delivered during the year on which the opinion is based, and provides the assurance opinion, the number of recommendations raised and the year-end position in addressing the issues raised.

In addition, **Appendix 2** is attached which shows the assurances provided over previous & current financial years to provide an overall picture of the control environment. This assurance chart highlights the progress that has been made in areas whereby negative assurances have previously been concluded.

3.2 Internal audit work is divided into 4 broad categories:

- Annual opinion audits;
- Fundamental financial systems that underpin the Council's financial processing and reporting;
- Service area audits identified as worthy of review by the risk assessment processes within internal audit;
- Significant computer systems which provide the capability to administer and control the Council's main activities.

3.3 Summary of the internal audit work

A total of 228 days were originally planned for 2021/22. After three audit deferrals and three additions the number of days delivered currently sits at 209. Audit work has resulted in a total of 17 assurance reviews. 11 of these have resulted in positive assurance including three that have received substantial assurance.

Three assurance reports have been issued in draft and are currently awaiting management responses; however their indicative opinions have been relied upon for this opinion. A further two pieces of additional work for Housing Compliance and Voids are in their final stages and were added to the plan upon instruction of the senior management team following the identification of risk in these areas.

Unfortunately the team has been unable to provide assurance over IT controls in the 2021/22 programme due to resourcing difficulties. The 2021/22 IT audit plan will be re-profiled into the three year programme, assurance will be prioritised for 2022/23 based on risk.

The Executive Summaries of all 2021/22 reports have now been presented to the Audit and Risk Committee, ensuring open and transparent reporting, and enabling the Committee to review key service area controls and the conclusions reached.

3.4 In addition to the above work undertaken by TIAA Ltd. The Head of Internal Audit has undertaken an investigation into Health and Safety concerns raised by senior management in relation to housing.

A request was made for the Internal Audit team to investigate the circumstances around the repair/s made to the window enclosure and to evaluate the policies/procedures and Health and Safety inspection systems in place at Great Yarmouth Norse (GYN). GYN are responsible for carrying out repair's services for the Council in line with the Service Level Agreement between the two parties.

The investigation concluded with the following observations and recommendations for management consideration.

Residents and visitors were left exposed to a Health and Safety hazard with the potential to cause serious/fatal injuries due to the deteriorating condition of the window enclosure in question over a period between 2015 and October 2021. The wooden frame of the window enclosure deteriorated over this period to such an extent that the wooden windowsill rotted away from the frame and fell to the ground leaving three panes of glass unsupported.

To prevent residents being exposed to future Health and Safety hazards at the Estate in question it is recommended that the Council carries out a risk-based inspection of all window enclosures prioritising replacements in relation to any disrepair risks identified.

It is also recommended that the Council carries out regular estate inspections to identify any other significant Health and Safety concerns and that further work is done to establish whether all issues and repair raised via the Love Clean Streets App for the Estate are being received and responded to by GYN.

3.4 Follow up of management action

In relation to the follow up of management actions to ensure that they have been effectively implemented, the position at year end is that of the 68 recommendations raised and agreed by management so far in 2021/22, 17 have been implemented by the agreed date and two needs attention recommendations are outstanding. 42 recommendations are not yet due.

A total of two 'needs attention' recommendations are outstanding from 2020/21.

A total of five recommendations remain outstanding from the 2019/20 year (one important, four needs attention).

A total of 13 recommendations remain outstanding from the 2018/19 year (four important, nine needs attention).

Please refer to **Appendix 3**, which shows the details of the progress made to date in relation to the implementation of the agreed recommendations, and **Appendix 4**, which provides an update from management regarding all important outstanding recommendations.

3.5 Issues for inclusion in the Annual Governance Statement

We recommend that outstanding recommendations from the current and historical limited assurance reviews continue to be referenced in the Council's Annual Governance Statement until they are resolved, they are as follows;

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. A deadline of 31 December 2022 has been provided.

The 2018/19 Procurement and Contract Management audit resulted in a Limited assurance grading and one important recommendation now remains outstanding. This relates to the update of the Procurement Strategy and has a revised deadline of 30 June 2022.

The urgent and important priority recommendations from the 2021/22 Limited assurance audits are referenced below:

Counter Fraud and Corruption

Urgent

1. The Councils undertake an assessment of the fraud and corruption risks that it faces and puts in place actions to mitigate them.
2. An assessment of the resources required to deliver counter fraud work be undertaken.

Important

3. The Audit and Risk Committee be updated on an annual basis on the Council's counter fraud activity and its progress against the Fighting Fraud and Corruption Locally Strategy 2020.
4. A Counter Fraud and Corruption Strategy be devised, applying to all aspects of the Council's business.
5. Training sessions for counter fraud and corruption be rolled out across the Council.
6. A programme of work be introduced to improve staff awareness and responsiveness to fraud across the Council.
7. An annual action plan to carry out all required counter fraud work be put in place and agreed by committee.

Environmental Services

Urgent

1. Ensure that all private water supplies are subject to inspection in accordance with the private water supply regulations.
2. Agree a timescale for the completion of the overdue HMO interim inspections, adding this information to the Civica records.

Important

3. Agree a timescale for the completion of the year four inspections in respect of the private rented housing selective licensing scheme relating to the Nelson Ward.
4. A Service Recovery and Improvement Plan be produced for all environmental services which have yet to return to business as usual following the pandemic.
5. The 2020 Air Quality Annual Status Report be submitted to DEFRA and then reported to the Environment Committee.
6. The Environmental Permitting Inspection regime spreadsheet be updated to ensure that inspection frequencies are correct, closed businesses are removed, all completed inspections are shown as such; and all due inspections are correctly dated.
7. A review of the Anti-Social Behaviour Strategy 2018-2023 be undertaken, reported to the Policy and Resources Committee and annual action plans re-installed.
8. All Anti-Social Behaviour activity, including number of cases and action taken, to be effectively and accurately recorded with supporting evidence retained.
9. Submit the 2020/21 annual return on Health and Safety activity to the Health & Safety Executive.
10. Agree a timescale to re-commence investigation work in relation to the three potential prosecutions involving animal welfare.

GYN Invoicing

Urgent

1. The Council to decide whether the original objective of the joint venture is still operating and works for all parties, whether the objective itself is still relevant and fit for purpose. The outcome to determine the strategic direction for the service.

2. The Council to review the GYN service agreement to decide whether the specifications meet the requirements of the Council/contractor/joint venture arrangements, are effective in delivering the service, without duplication, providing clarity to both parties. Consideration should also be given to devising clear protocols, a structure chart, lines of reporting, clearly defined roles and responsibilities, monitoring of delivery, reporting requirements for meeting the Councils objectives.
3. The Council to reconcile all jobs still open on the OMS system to the works completed by GYN from records held on the Norse TOTAL system. Any jobs still open on the TOTAL system to be assessed, reported on and actioned.
4. Within the current processes, a reconciliation of completed works from the Norse Total system/done report to the Councils HMS system and spreadsheets of works, along with supporting sign off documentation being provided, should be undertaken every month, to verify that work has been completed, signed off for payment to be made and the HMS system is up to date for works completed.
5. On completion of the stock check in GYN stores, the Council should trace the addresses of the properties named on each kitchen back to the records of completed works and works outstanding, ascertain whether a kitchen has been fitted or works no longer required. To also contact the tenant to verify whether a kitchen has been fitted/still required. To identify the cause of surplus ordering or delay and adjust processes to prevent future recurrences.
6. The Council to check through the properties identified as requiring a new canopy and notified to GYN and compare to the 'done' report to ascertain the completed properties. The remaining properties without confirmation to be referred to GYN to ascertain the current status of those properties canopies.

Important

7. The Council consider investing in a dedicated housing maintenance system to manage the works, which is accessible by both the Council and GYN to complete the assigning, costing, completion and monitoring of works.
8. The service should be benchmarked with national standards, including areas such as voids, systems and processes adopted and tenant feedback to ascertain current performance and national expectations.
9. The monthly cost challenge process to be redesigned. To ensure that the costing implications are an accurate and fair reflection of the work completed, that all parties agree to and payments reflect the fair charges actually incurred.
10. The variations identified between the initial survey and subsequent VOs should be reviewed to ascertain the underlying causes for the VOs. Where there are repeated issues, ascertain whether this is due to the initial survey requiring update or additional works being added.
11. The Councils surveyor checklist be revised to incorporate all relevant areas that need to be considered.
12. The process for completing void inspections and undertaking works to be reviewed, to avoid duplication in undertaking surveys, identifying all works through the Council's initial survey and monitoring of works completed. The void process to be discussed with the joint venture for expectations and responsibilities for each part of the process.
13. To ascertain a process for procuring future items that includes checking stores, to verify whether there is already an item, such as a kitchen, in stores that could be utilised prior to purchasing further items.

14. The process for managing stores items for the Council to be reviewed, to ascertain whether GYN stores is the appropriate store, and introduce stores management controls to manage the items into, held and out of stores, including review of long-standing items, whether still required and how they are accounted for, with the stock check being completed and valued.
15. The Council to seek from Norse a report from TOTAL identifying who was responsible for approving the fire doors payment in March 2021. To ascertain how jobs not completed had been included on the 'done' report.

4. THIRD PARTY ASSURANCES

- 4.1 In arriving at the overall opinion reliance has not been placed on any third-party assurances.

5. ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

5.1 Quality Assurance and Improvement Programme (QAIP)

5.1.1 Internal Assessment

A checklist for conformance with the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note has been completed for 2021/22. This covers: the Definition of Internal Auditing, the Code of Ethics and the Standards themselves.

The Attribute Standards address the characteristics of organisations and parties performing Internal Audit activities, in particular, Purpose, Authority and Responsibility, Independence and Objectivity, Proficiency and Due Professional Care, and Quality Assurance and Improvement Programme.

The Performance Standards describe the nature of Internal Audit activities and provide quality criteria against which the performance of these services can be evaluated, in particular: Managing the Internal Audit Activity, Nature of Work, Engagement Planning, Performing the Engagement, Communicating Results, Monitoring Progress and Communicating the Acceptance of Risks.

On conclusion of completion of the checklist conformance has been ascertained in relation to the Definition of Internal Auditing, the Code of Ethics and the Performance Standards.

5.1.2 External Assessment

In relation to the Attribute Standards it is recognised that to achieve full conformance an external assessment is needed. This is required to be completed every five years, with the first review having been completed in January 2017 and the next due for October 2022.

The external assessment was undertaken by the Institute of Internal Auditors in 2017 and it has concluded that ***“the internal audit service conforms to the professional standards and the work has been performed in accordance with the Internal Professional Practices Framework”***. Thus, confirming conformance to the required standards.

The external assessment report has previously been provided to the Section 151 Officer and the Committee.

5.2 Performance Indicator outcomes

5.2.1 The Internal Audit Service is benchmarked against several performance indicators as agreed by the Audit and Risk Committee. Actual performance against these targets is outlined within the following table:

Area / Indicator	Frequency	Target	Actual	Comments
<u>Audit Committee / Senior Management</u>				
1. Audit Committee Satisfaction – measured annually	Annual	Adequate	Excellent	Exceeded
2. Chief Finance Officer Satisfaction – measured quarterly	Annual	Good	TBC	Requested
<u>Internal Audit Process</u>				
3. Each quarters audits completed to draft report within 10 working days of the end of the quarter	Quarterly	100%	5%	Not achieved. One report issued in line with the KPI.
4. Quarterly assurance reports to the Contract Manager within 15 working days of the end of each quarter	Quarterly	100%	0%	Not Achieved
5. An audit file supporting each review and showing clear evidence of quality control review shall be completed prior to the issue of the draft report (a sample of these will be subject to quality review by the Contract Manager)		100%	100%	Achieved
6. Compliance with Public Sector Internal Audit Standards		Generally conforms	Generally conforms	Achieved
7. Respond to the Contract Manager within 3 working days where unsatisfactory feedback has been received.		100%	N/A	No unsatisfactory feedback received.
<u>Clients</u>				
8. Average feedback score received from key clients (auditees)		Adequate	Good	Exceeded (eight responses received)
9. Percentage of recommendations accepted by management		90%	100%	Exceeded
<u>Innovations and Capabilities</u>				
10. Percentage of qualified (including experienced) staff working on the contract each quarter		60%	96%	Exceeded
11. Number of training hours per member of staff completed per quarter		1 day	1 day	Achieved

5.2.2 Performance has not been in line within the boundaries of our agreed targets in some areas during 2021/22 such as the issuing of draft reports 10 day after quarter end and performance reports being provided within a 15 working day window after quarter end.

As reported to the Audit and Risk Committee throughout the year, Internal Audit performance has continued to be impacted in 2021/22 by the Covid-19 pandemic. The development and approval of the 2021/22 internal audit plan in quarter two had an impact on the profiling and

resourcing of the internal audit plan. A period of adjustment was also required in response to prolonged remote working practices. Contractor resourcing and sickness were also a key challenge throughout the year.

This performance result has been experienced across the internal audit consortium in 2021/22 with other third-party assurance providers also reporting similar challenges. Resourcing levels did settle in time to ensure the 2021/22 plan of work could be completed.

In response to the challenges faced this year, the Head of Internal Audit has enhanced communication and monitoring arrangements. The contractor has also committed to reviewing resource planning processes by allocating resources and booking in audits well in advance of the proposed start date.

The 2021/22 procurement exercise has now concluded which will see the current contractor continue to provide the Internal Audit service. The Head of Internal Audit has used this opportunity strengthen the key performance measures around timeliness included within the contract.

5.3 Effectiveness of the Head of Internal Audit (HIA) arrangements as measured against the CIPFA Role of the HIA

5.3.1 This Statement sets out the 5 principles that define the core activities and behaviours that apply to the role of the Head of Internal Audit, and the organisational arrangements to support them. The Principles are:

- Champion best practice in governance, objectively assessing the adequacy of governance and management of risks;
- Give an objective and evidence-based opinion on all aspects of governance, risk management and internal control;
- Undertake regular and open engagement across the Authority, particularly with the Management Team and the Audit Committee;
- Lead and direct an Internal Audit Service that is resourced to be fit for purpose; and
- Head of Internal Audit to be professionally qualified and suitably experienced.

Completion of the checklist confirms full compliance with the CIPFA guidance on the Role of the Head of Internal Audit in relation to the 5 principles set out within.

The detailed checklist has been forwarded to the Section 151 Officer for independent scrutiny and verification.

APPENDIX 1 – AUDIT WORK UNDERTAKEN DURING 2021/22

Audit Area	Assurance	No of Recs	Implemented	P1 OS	P2 OS	P3 OS	Not yet due
GYN – Invoicing	DRAFT Limited	15	0	0	0	0	15
Risk Management	Reasonable	8	0	0	0	0	8
Annual Governance Statement	Reasonable	3	0	0	0	0	3
Programme and Project Management	TBC						
Key Controls and Assurance	DRAFT Reasonable	4	0	0	0	0	4
Counter Fraud and Corruption Framework	Limited	10	0	0	0	1	9
Accountancy Services	DRAFT Reasonable	3	0	0	0	0	3
Accounts Receivable	Reasonable	3	3	0	0	0	0
Income	Substantial	2	2	0	0	0	0
Housing Benefits and Council Tax Support	Reasonable	5	4	0	0	1	0
Council Tax and NNDR	Reasonable	4	0	0	0	0	4
Capital Programme Contracts	Substantial	3	3	0	0	0	0
Environmental Services	Limited	15	0	0	0	0	15
Coastal Protection	Reasonable	8	5	0	0	0	3
Business Support Grants	Substantial	0	0	0	0	0	0
Housing Compliance	TBC						
Void Management	TBC						
Total		83	17	0	0	2	64

Assurance level definitions		Number
Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our audit review were being consistently applied.	3
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisations management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.	8
Limited Assurance	Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.	3
No Assurance	Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.	0

APPENDIX 2 - ASSURANCE CHART

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Annual Opinion / Corporate Audits						
Corporate Governance	Reasonable	Limited	Reasonable	Reasonable		X
Risk Management		Reasonable				
Key Controls and Assurance	Reasonable	Substantial	Reasonable	Reasonable	Reasonable	X
Corporate Health and Safety	Limited	Reasonable				X
Coronavirus Response and Recovery				Position Statement		
Corporate Plan and Performance						X
Programme and Project Management					TBC	
Counter Fraud and Corruption Framework					Limited	
Procurement and Contract Management		Limited		Position Statement		X
Annual Governance Statement					Reasonable	
Equinox Enterprises	Limited		Reasonable			
Fundamental Financial Systems						
Accounts Receivable	Reasonable		Reasonable		Reasonable	
Income / Remittances	Substantial		Substantial			
Income / Markets	Reasonable				Substantial	
Accountancy Services	Substantial		Substantial		Reasonable	
Housing Benefits and Council Tax Support	Reasonable		Substantial		Reasonable	
Council Tax / NNDR	Reasonable		Reasonable		Reasonable	
Accounts Payable		Substantial		Substantial		X
Payroll / HR		Substantial		Reasonable		X
Housing Rents		Reasonable		Reasonable		X

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Annual Opinion / Corporate Audits						
Corporate Governance	Reasonable	Limited	Reasonable	Reasonable		X
Risk Management		Reasonable				
Key Controls and Assurance	Reasonable	Substantial	Reasonable	Reasonable	Reasonable	X
Corporate Health and Safety	Limited	Reasonable				X
Coronavirus Response and Recovery				Position Statement		
Corporate Plan and Performance						X
Programme and Project Management					TBC	
Counter Fraud and Corruption Framework					Limited	
Procurement and Contract Management		Limited		Position Statement		X
Annual Governance Statement					Reasonable	
Equinox Enterprises	Limited		Reasonable			
Fundamental Financial Systems						
Accounts Receivable	Reasonable		Reasonable		Reasonable	
Income / Remittances	Substantial		Substantial			
Income / Markets	Reasonable				Substantial	
Accountancy Services	Substantial		Substantial		Reasonable	
Housing Benefits and Council Tax Support	Reasonable		Substantial		Reasonable	
Council Tax / NNDR	Reasonable		Reasonable		Reasonable	
Accounts Payable		Substantial		Substantial		X
Payroll / HR		Substantial		Reasonable		X
Housing Rents		Reasonable		Reasonable		X

APPENDIX 3 - STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed between 25 February 2022 to 31 March 2022			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not Yet Due for implementation		
			Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3		Priority 1	Priority 2	Priority 3
Audit Ref	Audit Area	Assurance Level													
2018/19 Audits															
GY1901	Corporate Governance	Limited					1					1			
GY1908	Capital Programme	Reasonable					1					1			
GY1909	Environmental Services	Reasonable					1	4				5			
GY1914	Procurement	Limited					1	3				4			
GY1916	Property & Asset Mgt	Reasonable						2				2			
2019/20 Audits															
GY2001	GYB Services	Reasonable			1							0			
GY2005	Council Tax and NNDR	Reasonable			1							0			
GY2008	Housing Strategy and Affordable Housing	Reasonable						1				1			
GY2016	Corporate Enforcement	Reasonable		1			1	2				3			
GY2019	Cyber Crime	Reasonable			2							0			
GY2020	Starters, Movers, Leavers	Reasonable			2			1				1			
2020/21 Audits															
GY2106	HR & Payroll	Reasonable						1				1			
GY2107	Key Controls and Assurance	Reasonable						1				1			
2021/22 Audits															
GY2207	Counter Fraud and Corruption	Limited									1	1	2	5	2
GY2216	Coastal Protection	Reasonable		3	2							0			3
GY2209	Accounts Receivable	Reasonable		1	2							0			
GY2211	Housing Benefits and Ctax Support	Reasonable		1	3						1	1			
GY2212	Council Tax and NNDR	Reasonable										0	1		3
GY2203	Annual Governance Statement	Reasonable										0			3
GY2215	Environmental Services	Limited										0	2	8	5
GY2213	Capital Programme Contracts	Substantial			3							0			
Total			0	6	16	0	5	15	0	0	2	22	4	14	16

APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

2018/19

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY1901 Corporate Governance	Recommendation 8: A review of off-site paper storage arrangements is undertaken to ensure they are GDPR compliant.	2	Head of Property and Asset Management	31/01/2019	31/12/2022	8	Outstanding	Update received from the Senior Performance and Data Protection Officer: "Due to the location of the containers and the need to use outside space to review and sort the files, the inclement weather experienced during the months of April & May has delayed the recommencement of this work." A further delay has now been experienced as the Data Protection Officer has been summoned for Jury Service. The project will re-start once the Data Protection Officer returns so a revised date of 31 st December is requested.
GY1908 Capital Programme Contracts (General Fund and Housing Revenues Account)	Recommendation 6: In respect of the Norfolk County Council (NCC) Norfolk Infrastructure Fund (NIF) for the energy park, the following is undertaken Confirmation that the NCC Policy & Resources committee has formally approved the NIF budget of £2.75m; and- Agreement of how payment of the funding is processed, e.g. expenditure is invoiced on a regular basis such as annually. This process to be formally agreed and documented.	2	Finance Director	30/06/2019	30/07/2022	6	Outstanding	Update received from the Corporate Services Manager: "A report on the NIF funding is going to the P&R committee on 12 th July 2022." Due date therefore revised to 30 th July 2022 to allow for completion of the recommendation.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY1909 Environmental Services	Recommendation 1: Contaminated land. The review of the prioritisation site list is concluded as follows: completion of the review of medium scored sites; - finalising the further work needed in respect of the high scored sites to assess the possibility of significant harm and addition of the date when the review work for each site has been completed and officer/reviewer name.	2	Head of Environmental Services	31/05/2019	31/03/2023	5	Outstanding	There have been some changes in the team, and there is now an officer in place to be able to do this. Due date revised to March 2023.
GY1914 Procurement	Recommendation 1: The procurement strategy (PS) be reviewed and updated including an update of the accompanying action plan to be taken forward as a new action plan. This should include a review against the other council PSs and the National Procurement Strategy for any key gaps, and also GDPR requirements. In addition, the PS to be updated to include consideration is given to the requirement for more bespoke terms and conditions (T&CS) and service review points, in addition to the standard T&Cs which should be included. The PS should also be reviewed to ensure it refers to the requirements of GDPR.	2	Monitoring Officer	30/09/2019	30/06/2022	5	Outstanding	Update received from the Monitoring Officer – "New Procurement Strategy (PS) taken to ELT early in April and will go on to the P&R Committee in the next few months. The Council will also be working with the shared procurement service based at Breckland going forward which will be asked to review the PS."

2019/20

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
GY2016 Corporate Enforcement	Recommendation 1: Technological efficiencies with the new proposed system to be identified and maximised. A set format to be agreed for storing files. In addition a data cleansing exercise to be undertaken as planned to ensure that the council is compliant with GDPR.	2	Head of Environmental Services	30/04/2021	31/12/2022	1	Outstanding	<p>New IT system delayed until 2022 delivery. When new structure in place in Jan 2022, enforcement training rolled out across service and this will include data storage for case investigation.</p> <p>File storage being rationalised and cleared out by Business Support team, files being deleted and paper copies being scanned.</p>

APPENDIX 5 – LIMITATIONS AND RESPONSIBILITIES

Limitations inherent to the Internal Auditor's work

The Internal Audit Annual Report has been prepared and TIAA Ltd (the Internal Audit Services contractor) were engaged to undertake the agreed programme of work as approved by management and the Audit Committee, subject to the limitations outlined below.

Opinions

The opinions expressed are based solely on the work undertaken in delivering the approved 2021/22 Annual Internal Audit Plan. The work addressed the risks and control objectives agreed for each individual planned assignment as set out in the corresponding audit planning memorandums (terms of reference) and reports.

Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate the risk of failure to achieve corporate/service policies, aims and objectives: it can therefore only provide reasonable and not absolute assurance of effectiveness. Internal control systems essentially rely on an ongoing process of identifying and prioritising the risks to the achievement of the organisation's policies, aims and objectives, evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. That said, internal control systems, no matter how well they have been constructed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future Periods

Internal Audit's assessment of controls relating to Gt Yarmouth Borough Council is for the year ended 31 March 2022. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in the operating environment, law, regulation or other matters; or,
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of Management and Internal Auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

The Head of Internal Audit has sought to plan Internal Audit work, so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, additional work will then be carried out which is directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected and TIAA's examinations as the Council's internal auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.



Great Yarmouth Borough Council

Audit Plan

Year ended 31 March 2021

8 July 2022



Audit and Risk Committee Members
Great Yarmouth Borough Council
Hall Plain
Great Yarmouth, NR30 2QF

8 July 2022

Dear Audit and Risk Committee Members

2020/21 Audit Plan

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Audit and Risk Committee with a basis to review our proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This Audit Plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks. Our planning procedures remain ongoing; we will inform the Audit and Risk Committee if there are any significant changes or revisions once we have completed these procedures and will provide an update to the next meeting of the Committee.

This report is intended solely for the information and use of the Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 18 July 2022 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Debbie Hanson

Debbie Hanson
For and on behalf of Ernst & Young LLP

Enc

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Risk Committee and management of Great Yarmouth Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, and management of Great Yarmouth Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of Great Yarmouth Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2020/21 audit strategy



Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Finance, Resources, Audit and Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
Incorrect capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	<p>In considering how the risk of management override may present itself, we conclude that this is primarily through management taking action to override controls and manipulate in year financial transactions that impact the medium to longer term financial position. A key way of improving the revenue position is through the inappropriate capitalisation of revenue expenditure.</p> <p>The Council's capital programme for 2020/21 was £29 million and is therefore significant.</p> <p>We also consider this risk to manifest itself through inappropriate classification of expenditure as revenue expenditure funded from capital under statute (REFCUS). However, as REFCUS in 2020/21 is only £0.671 million and therefore not material, we have not identified this as an area of significant risk for 2020/21.</p>
Investment property valuations	Significant risk	No change in risk or focus	<p>The Council's investment property totals £51.68 million as at 31 March 2021 (per the draft Financial Statements) which represents a significant balance in the Council's accounts. The balance is subject to valuation changes and impairment reviews. Material judgements and estimation techniques are required to calculate the year-end balances.</p> <p>Covid-19 is expected to continue to have an impact on valuation for properties measured at fair value (i.e. investment properties) since rental income may fall as tenants' potentially default on their rents and seek to negotiate rent reductions where they can no longer trade effectively.</p> <p>There is a therefore a risk that investment property may be misstated or the associated accounting entries incorrectly posted.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.</p>

Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus			
Risk / area of focus	Risk identified	Change from PY	Details
Covid-19 related grant income	Significant risk	New risk	The Council has received a significant level of government funding in relation to Covid-19 totalling £9.97 million (per the draft financial statements). There is a need for the Council to ensure that it accounts for these grants appropriately, taking into account any associated restrictions and conditions, and whether it is acting as principal or agent.
Infrastructure assets	Significant risk	New risk	<p>A national issue has been identified via the NAO's Local Government Technical Group relating to accounting for infrastructure assets. The issue that has been identified is that local authorities may not be writing out the gross cost and accumulated depreciation on infrastructure assets when a major part or component has been replaced or decommissioned.</p> <p>The Council holds infrastructure assets at a net book value of £14.3 million (per the draft accounts) which is a material balance.</p> <p>We will need to understand the Councils' approach to subsequent expenditure on infrastructure assets and assess the appropriateness of gross and net book values recorded to the accounts and ensure the Council's approach is in line with the Cipfa code of Practice (the Code). CIPFA has recently issued an urgent consultation on temporary changes to the Code to address this issue and we will also need to consider the outcome of this once finalised.</p>
Pension liability valuation	Inherent risk	No change in risk or focus	<p>The Code and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the pension fund administered by the Council. The Council's pension fund deficit is a material estimated balance disclosed on the balance sheet. At 31 March 2021, this totalled £73.8 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.</p> <p>Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>

Overview of our 2020/21 audit strategy

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Land and buildings valuation	Inherent risk	No change in risk or focus	Land and buildings represent significant balances in the Council's accounts, totalling £322 million as at 31 March 2021. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is a risk fixed assets may be under/overstated or the associated accounting entries incorrectly posted.
Group accounts preparation	Inherent risk	No change in risk or focus	<p>The Council produced group accounts consolidating the wholly owned subsidiary, Equinox Enterprises Ltd, for the first time in 2018/19 as the subsidiary is material to the financial statements. Our audit work identified a number of misstatements and amendments were required to the group accounts in both 2018/19 and 2019/20. We therefore consider that there is a risk of misstatement in the 2020/21 accounts.</p> <p>In addition, the Council needs to undertake an assessment of group boundaries in relation to its investments in two limited companies with which it traded in 2020/21 (Great Yarmouth Borough Services and Great Yarmouth Norse) and any other companies in which it has an interest to establish whether it had control of the arrangements or exerted significant influence over these investees and whether they are material for the Group in 2020/21.</p>
Accuracy of the Council and Group cashflow statement	Inherent risk	No change in risk or focus	<p>Our audit work on the Council and Group Cashflow Statement identified a number of material errors and inaccuracies which were reported in our 2019/20 Audit Results Report.</p> <p>There is a risk that similar errors will be present in the 2020/21 Cashflow Statements.</p>

Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Going concern disclosure	Inherent risk	No change in risk or focus	The financial landscape for the Council remains challenging and management will need to prepare a going concern assessment covering a period up to 12 months from the expected date of the financial statements authorisation and issue of our audit report. The Council will also need to make an appropriate disclosure in the financial statements. In addition, the revised auditing standard on going concern requires additional challenge from auditors on the assertions being made by management.
Debtors and creditors - accuracy of balances in the Balance Sheet	Inherent risk	No change in risk or focus	Our audit testing in 2018/19 and 2019/20 identified errors in the accuracy of the debtors and creditors balances reported in the Financial Statements. We report a controls issue in our Audit Results Report for 2019/20, noting that the Council should revisit their closedown process in these areas to ensure that the audit of debtors and creditors can be completed more effectively and efficiently.
NDR appeals provision	Inherent risk	New risk and area of focus	We have identified the risk of omission and incorrect valuation of the NDR appeals provisions as an inherent risk. It is expected that the number of appeals by businesses may have increased from prior year due to inoperability of businesses throughout the Covid-19 pandemic. The calculation of the provision involves significant judgements and a high level of complexity. Due to the size and nature of the balance there is a risk that the provision could be materially understated.
Expenditure and funding analysis restatement	Inherent risk	New risk and area of focus	The Expenditure and Funding Analysis Statement has been restated from the prior period due to internal management restructuring. We will need to review the restatement and ensure the prior year comparatives have been appropriately restated.

Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Auditing accounting estimates

In addition to the above risks and areas of focus, a revised auditing standard has been issued in respect of the audit of accounting estimates. The revised standard requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors now consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we may see the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area. The changes to the standard may affect the nature and extent of information that we may request and will likely increase the level of audit work required.

Timetable for the delivery of the audit

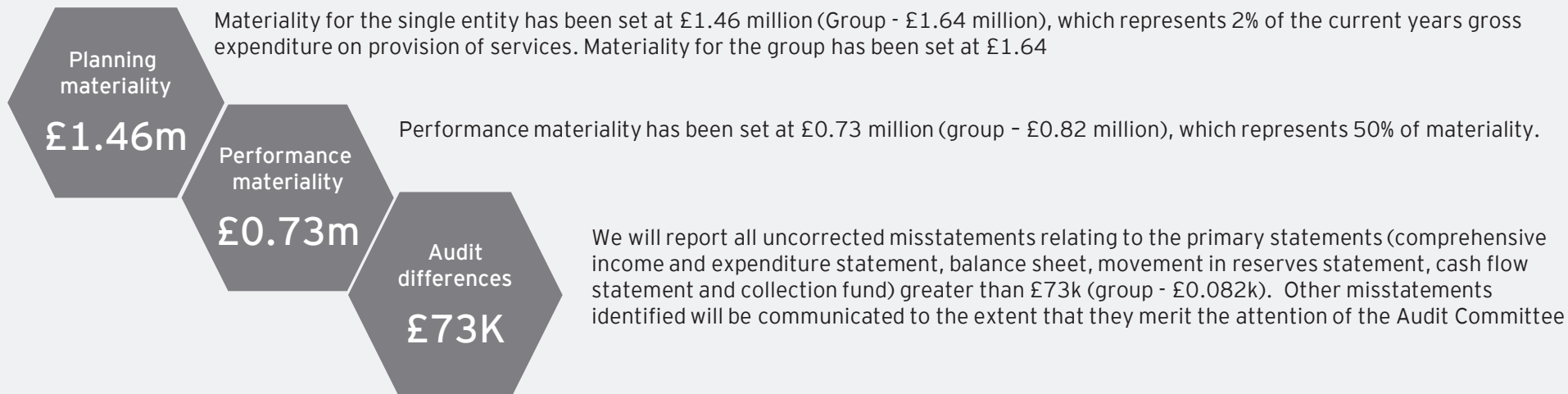
We have set out our current proposed timetable for the delivery of the audit in Section 7 of this Plan.

We note however that in prior years, there have been significant delays in the completion of the audit, with the opinion and certificate on the 2019/20 financial statements not being issued until December 2021. A number of factors have impacted on the timely completion of the audit, including the level of errors identified, difficulties obtaining listings for debtors and creditors and delays in responses to audit queries. We recognise that the capacity within the finance team may have impacted on this and recommended that the Council should review this. We acknowledge that we also experienced some resourcing difficulties in 2019/20. We also recommended in our 2019/20 Annual Audit Letter that the Council should revisit again its closedown process in these areas to ensure that these parts of the audit can be completed more efficiently and effectively future years.

If timely responses to working paper requests and audit queries are not provided in relation to the 2020/21 we will need to reschedule the audit to a later date than those set out in section 7.

Overview of our 2020/21 audit strategy

Materiality



The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

Overview of our 2020/21 audit strategy

Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of Great Yarmouth Borough Council give a true and fair view of the financial position as at 31 March 2021 and of the income and expenditure for the year then ended; and
- Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness (Value for Money).

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

Taking the above into account, and as articulated in this audit plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities".

PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit with increased focus on, for example, the valuations of land and buildings, the auditing of groups, the valuation of pension assets and obligations, the introduction of new accounting standards in recent years as well as the expansion of factors impacting the value for money conclusion.

We are currently in the process of discussing the extent of these areas and the audit risks highlighted in this Audit Plan as relevant in the context of Great Yarmouth Borough Council's audit, and the resultant impact on the scale fee. We have only set out the published Scale Fee in Appendix A, at this time.



02

Audit risks



Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error*	What is the risk?	What will we do?
	<p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p> <p>As part of our audit work to identify fraud risks during the planning stages, we have identified those areas of the accounts that involve management estimates and judgements as the key areas at risk of manipulation.</p> <p>In addition, we have identified those areas of the where the risk of manipulation could specifically manifest itself.</p> <p>This area is set out on the following page.</p>	<p>We will undertake our standard procedures to address fraud risk, which include:</p> <ul style="list-style-type: none">▶ Identifying fraud risks during the planning stages;▶ Inquiry of management about risks of fraud and the controls put in place to address those risks;▶ Understanding the oversight given by those charged with governance of management's processes over fraud;▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;▶ Determining an appropriate strategy to address those identified risks of fraud; and▶ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements. <p>To address the residual risk of management override we perform specific procedures which include:</p> <ul style="list-style-type: none">▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, for example using our journal tool to focus our testing on specific journals such as those created at unusual times or by staff members not usually involved in journal processing;▶ Assessing key accounting estimates for evidence of management bias; and▶ Evaluating the business rationale for any significant unusual transactions.

Our response to significant risks (continued)

Misstatements due to fraud or error - Incorrect capitalisation of revenue expenditure*

Financial statement impact

Misstatements that occur in relation to the risk incorrect capitalisation of revenue expenditure could affect the comprehensive income and expenditure account and the balance sheet by decreasing revenue expenditure and increasing capital expenditure.

What is the risk?

In considering how the risk of management override may present itself, we conclude that this is primarily through management taking action to override controls and manipulate in year financial transactions that impact the medium to longer term financial position. A key way of improving the revenue position is through the inappropriate capitalisation of revenue expenditure.

The Council's capital programme for 2020/21 was £29 million and is therefore significant.

We also consider this risk to manifest itself through inappropriate classification of expenditure as revenue expenditure funded from capital under statute (REFCUS). However as REFCUS in 2020/21 is only £0.671 million and therefore not material we have not identified this as an area of significant risk for 2020/21.

What will we do?

We will undertake additional procedures to address the specific risk we have identified, which will include:

- Sample testing additions to property, plant and equipment to ensure they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised;
- We will extend our testing of items capitalised in the year by lowering our testing threshold. We will also review a larger random sample of capital additions below our testing threshold.
- As part of our journal testing strategy, we will review unusual journals related to capital expenditure posted around the year-end; for example where the debit is to capital expenditure and the credit to income and expenditure

Our response to significant risks (continued)

Significant risk - Valuation of investment properties

Financial statement impact

Misstatements that occur in relation to the valuation risk of investment property could affect the comprehensive income and expenditure account and the balance sheet by misstating the fair value of the assets and increase/decrease in valuation in the year.

What is the risk?

The Council's investment property totals £51.68 million as at 31 March 2021 (per the draft Financial Statements) which represents a significant balance in the Council's accounts and is subject to valuation changes and impairment reviews. Material judgements and estimation techniques are required to calculate the year-end balances.

Covid-19 is expected to continue to have an impact on valuation for properties measured at fair value (i.e. investment properties) since rental income may fall as tenants' potentially default on their rents and seek to negotiate rent reductions where they can no longer trade effectively.

There is a therefore a risk that investment property may be misstated or the associated accounting entries incorrectly posted.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.

What will we do?

We will undertake additional procedures to address the specific risk we have identified, which will include:

- Assess the classification of the assets and whether the appropriate valuation basis has been applied.
- Identify and obtain evidence to support any material increases in values or impairments that occur during the year.
- Consider the work performed by the Council's external valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- For a sample of assets;
 - Review the methodology and assumptions used by the valuer;
 - Sample test key asset information used by the valuers in performing their valuation
 - Investigate any significant movements in values.
 - Consider the engagement of internal experts as required to review asset valuations
- Test accounting entries, ensuring these have been correctly processed in the financial statements.
- As we have identified a higher degree of risk in relation to the valuation of investment property assets as at 31 March 2021, we will also consider how the Council's valuer has addressed the continued impact of Covid on the year-end valuation of this assets and their assessment of any impairment.

Our response to significant risks (continued)

<p>Significant risk - Covid-19 related grant income</p>	<p>What is the risk?</p> <p>The Council has received a significant level of additional government funding in relation to Covid-19.</p> <p>Whilst there is no change in the CIPFA Code or Accounting Standard (IFRS 15) in respect of accounting for government grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Council will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment within the 2020/21 statements. The Council will also need to consider whether they are acting as principal or agent as this will also impact on the accounting requirements.</p>	<p>What will we do?</p> <p>We will undertake additional procedures to address the specific risk we have identified, which will include:</p> <ul style="list-style-type: none"> ▸ Reviewing managements assessment of accounting treatment for Covid-19 grants and comparing this to data collected from other Councils in a benchmarking exercise. This will provide a risk assessment and identify where testing should be focused. ▸ Sample testing Government grant income to ensure that they have been correctly classified as principal or agent and whether and specific conditions have been appropriately reflected; ▸ Sample testing Government grant income to ensure that they have been correctly classified in the financial statements based on any restrictions imposed by the funding body; and ▸ Reconciliation of those primary statement balances to the detailed notes within the statement of accounts to ensure appropriate presentation of grant income and consistency.
<p>Financial statement impact</p> <p>We have identified a risk of Government grant income misstatement that could affect the Comprehensive Income and Expenditure Statement and balance sheet.</p> <p>We consider the risk applies to the classification of Government grant income and could result in a misstatement of 'Cost of Services' reported in the 'Comprehensive Income and Expenditure' statement and "Creditors" through Grants Received in Advance on the Balance Sheet.</p>		

Our response to significant risks (continued)

Significant risk – Infrastructure assets	What is the risk?	What will we do?
<p>Financial statement impact</p> <p>We have identified a risk of misstatements in relation to infrastructure assets that could affect the Balance Sheet.</p> <p>We consider the risk applies to the existence and valuation of Infrastructure assets and could result in a misstatement in infrastructure assets reported in the Balance Sheet.</p>	<p>A national issue has been identified via the NAO's Local Government Technical Group relating to accounting for infrastructure assets. The issue that has been identified is that local authorities may not be writing out the gross cost and accumulated depreciation on infrastructure assets when a major part or component has been replaced or decommissioned.</p> <p>The Council holds infrastructure assets at a net book value of £14.3 million (per the draft accounts) which is a material balance.</p> <p>We will need to understand the Councils' approach to subsequent expenditure on infrastructure assets and assess the appropriateness of gross and net book values recorded to the accounts and ensure the Council's approach is in line with the CIPFA code of Practice (the Code). CIPFA has recently issued an urgent consultation on temporary changes to the Code to address this issue and we will also need to consider the outcome of this once finalised.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Obtain an understanding from management of the accounting policy for treatment of subsequent expenditure on infrastructure assets and compare this against the CIPFA Code of Practice to ensure the correct approach is being taken; ▶ Inspect current year additions and historical balances for infrastructure assets dating back to implementation of IFRS to identify material additions for testing; ▶ Test if these represent new assets or refurbishments to extend the life of the asset and determine if componentization and derecognition has been appropriately undertaken; ▶ Consider the update from the CIPFA an urgent consultation on temporary changes to the Code to address this issue once finalised.



Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the risk?

Pension liability valuation – Inherent risk

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the pension fund administered by the Council. The Council's pension fund deficit is a material estimated balance disclosed on the Council's balance sheet. At 31 March 2021, this totalled £73.8 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement, management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Liaise with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Great Yarmouth Borough Council;
- ▶ Assess the work of the Pension Fund actuary including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by The National Audit Office for all Local Government sector auditors, and considering any relevant reviews of this by the EY actuarial team;
- ▶ Review Norfolk Pension Fund's draft financial statements and compare the year end asset values with the estimate used by the actuary in producing the Council's IAS 19 report and consider the impact on the Council's pension fund liability and IAS19 disclosures;
- ▶ Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.
- ▶ Consider the nature and value of level 3 investments held by Norfolk Pension Fund and the proportion of the overall Fund relating to Great Yarmouth in order to identify any additional procedures required to support the estimates of the valuation of these asset as at 31 March 2021
- ▶ Engage the EY actuarial team to recalculate an estimate of the pension liability and consider any variation from output from the Council's management expert.

Audit risks

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the risk?

Land and buildings valuation – Inherent risk

Land and buildings represent significant balances in the Council's accounts, totalling £322 million as at 31 March 2021. Management is required to make material judgements and apply estimation techniques to calculate the year-end balances. There is a risk fixed assets may be under/overstated or the associated accounting entries incorrectly posted.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- Evaluate the selection and application of accounting policies established to determine whether the accounting policies are being applied in an inappropriate manner;
- Ensure the correct classification of the Council's land and buildings and that the appropriate valuation basis has therefore been adopted;
- Consider the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample testing key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme for property, plant and equipment and annually for investment property assets as required by the Code. We will also consider if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- Review assets not subject to valuation in 2020/21 to confirm that the remaining asset base is not materially misstated;
- Consider changes to useful economic lives as a result of the most recent valuation; and
- Test accounting entries have been correctly processed in the financial statements.

We will also consider how the Council's valuer has addressed the continues impact of Covid on the year-end valuation of assets and assessment of impairments and consider whether we need to engage EY valuation specialists to assist the audit team in relation to this assessment

Audit risks

Other areas of audit focus (continued)

What is the risk?

Group accounts preparation

The Council produced group accounts consolidating the wholly owned subsidiary, Equinox Enterprises Ltd, for the first time in 2018/19 as the subsidiary is material to the financial statements. Our audit work identified a number of misstatements and amendments were required to the group accounts in both 2018/19 and 2019/20. We therefore consider that there is a risk of misstatement in the 2020/21 accounts.

In addition, the Council needs to undertake an assessment of group boundaries in relation to its investments in two limited companies with which it traded in 2020/21 (Great Yarmouth Borough Services and Great Yarmouth Norse) and any other companies in which it has an interest to establish whether it had control of the arrangements or exerted significant influence over these investees and whether they are material for the Group in 2020/21.

Debtors and creditors – accuracy of balances

Our audit testing in 2018/19 and 2019/20 identified errors in the accuracy of the debtors and creditors balances reported in the financial statements.

We reported a controls issue in our Audit Results Report for 2019/20 noting that the Council should revisit their closedown process in these areas to ensure that the audit of debtors and creditors can be completed more effectively and efficiently.

What will we do?

To address this risk we will carry out a range of procedures including:

- ▶ Considering the Council's assessment of how its investments companies should be reflected within its group financial statements and whether the Council's decision to exclude any of its investments could cumulatively or individually influence the decisions of readers;
- ▶ Considering group wide controls over the consolidation process;
- ▶ Determining the scope of our work on each component included in the Council's group accounts dependent on the relative size and risk of the component;
- ▶ Issuing group audit instructions to each component we deem to be significant by size or risk and liaise with those auditors as appropriate;
- ▶ Determining the competence and independence of each component auditor we wish to rely on;
- ▶ Determining our level of involvement in the work of each component auditor and the level of review of their working papers; and
- ▶ Assessing the completeness and accuracy of the consolidation workings and group disclosures.

To address this risk we will carry out a range of procedures including:

- ▶ Reviewing the briefing paper prepared by management to understand how they have prepared the debtors and creditors notes for 2020/21 to reduce the errors identified in the prior year before audit testing begins;
- ▶ Reviewing the year end reconciliation of the debtors and creditors feeder systems to the General Ledger to ensure completeness of the balances;
- ▶ Sample testing the debtors and creditors balances at a lower testing threshold, to recognise the increased risk of material misstatement in the Balance Sheet; and
- ▶ Performing unrecorded liabilities testing to ensure all balances have been identified appropriately post year end and included in the 2020/21 financial statements.
- ▶ Reviewing any unusual items included in debtors and creditors, any manual adjustments outside the trial balance, historic balances that have not moved year on year.

Other areas of audit focus (continued)

What is the risk?	What will we do?
<p>Accuracy of the Council and Group cashflow statement</p> <p>Our audit work for the Council and Group cashflow statement identified a number of errors and inaccuracies which were reported in our 2019/20 Audit Results Report.</p> <p>There is a risk that similar errors will be present in the 2020/21 cashflow statement.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Reviewing the entries disclosed in the draft 2020/21 financial statements for the Council and Group cashflow statements and associated notes against supporting working papers; ▶ Testing the correctness and completeness of intercompany consolidation adjustments in the group cash flow (e.g. financing for one entity if investing for the other) ▶ Testing to ensure consistency between the Council and Group cashflow statements and other entries in the draft 2020/21 financial statements, for example movement in balances between 2019/20 and 2020/21; and ▶ Ensure that the disclosures are in line with the Code requirements.
<p>Going concern disclosure</p> <p>There is a presumption that the Council will continue as a going concern for the foreseeable future. However, the Council is required to carry out a going concern assessment that is proportionate to the risks it faces. In light of the continued impact of Covid-19 on the Council's day to day finances, annual budget, cashflows and medium term financial strategy, there is a need for the Council to ensure it's going concern assessment is sufficiently comprehensive.</p> <p>The Council is then required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified. In addition, the revised auditing standard on going concern requires additional challenge from auditors on the assertions being made by management.</p>	<p>We will meet the requirements of the revised auditing standard on going concern (ISA 570) and consider the adequacy of the Council's going concern assessment and its disclosure in the accounts by:</p> <ul style="list-style-type: none"> ▶ Challenging management's identification of events or conditions impacting going concern; ▶ Testing management's resulting assessment of going concern by evaluating supporting evidence (including consideration of the risk of management bias); ▶ Reviewing the Council's cashflow forecast covering the foreseeable future, to ensure that it has sufficient liquidity to continue to operate as a going concern; ▶ Undertaking a 'stand back' review to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern; ▶ Challenging the disclosure made in the accounts in respect of going concern and any material uncertainties;



Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the risk?

NDR appeals provision - Inherent risk

We have identified the risk of omission and incorrect valuation of the NDR appeals provisions as an inherent risk. It is expected that the number of appeals by businesses may have increased from prior year due to inoperability of businesses throughout the Covid-19 pandemic.

The calculation of the provision involves significant judgements and a high level of complexity. Due to the size and nature of the balance there is a risk that the provision could be materially understated.

Expenditure and funding analysis restatement - Inherent risk

The Expenditure and Funding Analysis has been restated from the prior period due to internal management restructuring. We will need to review the restatement and ensure the prior year comparatives have been appropriately restated.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Testing the calculation of the NDR provision to ensure all estimates and judgements are fully supported and are agreed to independent sources wherever possible. Where testing is performed we will apply a lower testing threshold to ensure the appeals provision is calculated on an appropriate basis and has been correctly valued;
- ▶ Undertaking procedures such as review of minutes and enquiries of management and those charged with governance to gain assurance over the material completeness and methodology of the provision

In order to address this risk we will carry out a range of procedures including:

- ▶ Inspection of updated directory mapping and re-performance of calculation to assess appropriateness of updated prior year comparators.
- ▶ Review of the impact of the re-statement on the accounts as a whole

Other areas of audit focus (continued)

What is the risk/area of focus?

Auditing accounting estimates

ISA 540 (Revised) - Auditing Accounting Estimates and Related Disclosures applies to audits of all accounting estimates in financial statements for periods beginning on or after December 15, 2019.

This revised ISA responds to changes in financial reporting standards and a more complex business environment which together have increased the importance of accounting estimates to the users of financial statements and introduced new challenges for preparers and auditors.

The revised ISA requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we expect the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area.

The changes to the standard will affect the nature and extent of information that we request and will likely increase the level of audit work required, particularly in cases where an accounting estimate and related disclosures are higher on the spectrum of inherent risk. For example:

- We will place more emphasis on obtaining an understanding of the nature and extent of your estimation processes and key aspects of related policies and procedures. We will need to review whether controls over these processes have been adequately designed and implemented in a greater number of cases.
- We will provide increased challenge of aspects of how you derive your accounting estimates. For example, as well as undertaking procedures to determine whether there is evidence which supports the judgments made by management, we may also consider whether there is evidence which could contradict them.
- We will make more focussed requests for evidence or carry out more targeted procedures relating to components of accounting estimates. This might include the methods or models used, assumptions and data chosen or how disclosures (for instance on the level of uncertainty in an estimate) have been made, depending on our assessment of where the inherent risk lies.
- You may wish to consider retaining experts to assist with related work. You may also consider documenting key judgements and decisions in anticipation of auditor requests, to facilitate more efficient and effective discussions with the audit team.
- We may ask for new or changed management representations compared to prior year's as a result of the above procedures.



03

Value for Money Risks





Value for money

The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

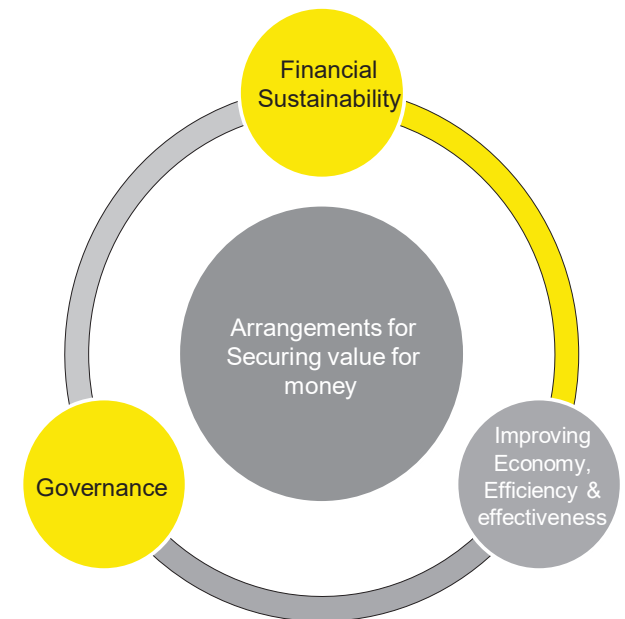
As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailor's the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- **Financial sustainability**
How the Council plans and manages its resources to ensure it can continue to deliver its services;
- **Governance**
How the Council ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness**
How the Council uses information about its costs and performance to improve the way it manages and delivers its services.





Value for money

Planning and identifying VFM risks

The NAO's guidance notes require us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Council's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance notes where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the Council's arrangements, we are required to consider:

- The Council's governance statement
- Evidence that the Council's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates (such as OfSTED) and other bodies and
- Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- Exposes - or could reasonably be expected to expose - the Council to significant financial loss or risk;
- Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Council's reputation;
- Leads to - or could reasonably be expected to lead to - unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Council;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves, or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Council's reported performance;
- Whether the issue has been identified by the Council's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Council has had to respond to the issue.



Value for money

Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Audit Committee.

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the Audit Report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2020/21 VFM planning

We have yet to complete our detailed value for money planning.

We will update a future Risk and Audit Committee meeting on the outcome of our value for money planning and our planned response to any identified risks of significant weaknesses in arrangements.



04

Audit materiality

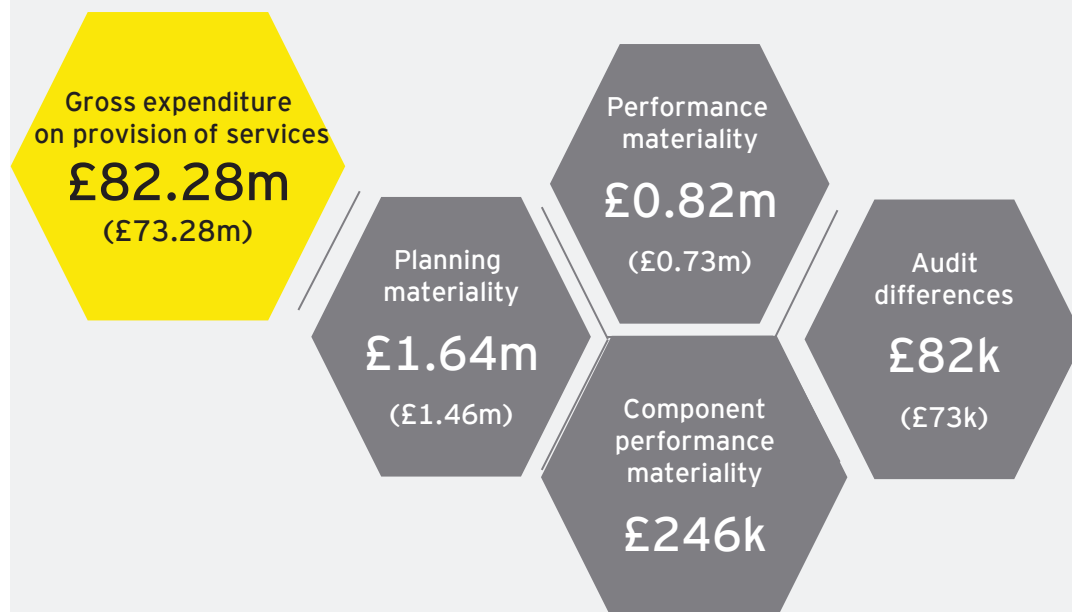


Audit materiality

Materiality – Group (single entity figures shown in brackets below)

Materiality

For planning purposes, Group materiality for 2020/21 has been set at £1.64 million. This represents 2% of the Group gross expenditure on provision of services. It will be reassessed throughout the audit process. Single entity figures provided below for reference.



We request that the Audit and Risk Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.82 million which represents 50% of planning materiality.

Component performance materiality range – we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, housing revenue account and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the audit committee, or are important from a qualitative perspective.

Specific materiality – We will set a lower level of materiality for the following: Remuneration disclosures (including severance payments, exit packages and termination benefits), related party transactions, members' allowances and audit fees. This reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to this.



05

Scope of our audit



Our Audit Process and Strategy

Objective and scope of our audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Council's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our Audit Process and Strategy (continued)

Audit process overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

Our intention is to carry out a fully substantive audit in 2020/21 as we believe this to be the most efficient audit approach. Although we are therefore not intending to rely on individual system controls in 2020/21, the overarching control arrangements form part of our assessment of your overall control environment and will form part of the evidence for your Annual Governance Statement.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Committee.

Internal audit:

As in prior years, we will review Internal Audit plans and the results of the works. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

Scoping the group audit

Group scoping

Our audit strategy for performing an audit of an entity with multiple locations is risk based. We identify components as:

- 1. Significant components:** A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements.
- 2. Not significant components:** The number of additional components and extent of procedures performed depended primarily on: evidence from significant components, the effectiveness of group wide controls and the results of analytical procedures.

For all other components we perform other procedures to confirm that there is no risk of material misstatement within those locations. These procedures are detailed below.

Scoping by Entity

Our preliminary audit scopes by number of locations we have adopted are set out below. We provide scope details for each component within Appendix E.

1	A	Full scope audits
1	B	Specific scope audits
0	C	Review scope audits
0	D	Specified procedures
0	E	Other procedures

Scope definitions

Full scope: locations where a full audit is performed to the materiality levels assigned by the Group audit team for purposes of the consolidated audit. Procedures performed at full scope locations support an interoffice conclusion on the reporting package. These may not be sufficient to issue a stand-alone audit opinion on the local statutory financial statements because of the materiality used and any additional procedures required to comply with local laws and regulations.

Specific scope: locations where the audit is limited to specific accounts or disclosures identified by the Group audit team based on the size and/or risk profile of those accounts.

Review scope: locations where procedures primarily consist of analytical procedures and inquiries of management. On-site or desk top reviews may be performed, according to our assessment of risk and the availability of information centrally.

Specified procedures: locations where the component team performs procedures specified by the Group audit team in order to respond to a risk identified.

Other procedures: For those locations that we do not consider material to the Group financial statements in terms of size relative to the Group and risk, we perform other procedures to confirm that there is no risk of material misstatement within those locations.

Scope of our audit

Scoping the group audit

The below table sets out the scope of our audit. We set audit scopes for each reporting unit which, when taken together, enable us to form an opinion on the group accounts. We take into account the size, risk profile, changes in the business environment, and other factors when assessing the level of work to be performed at each reporting unit.

Detailed scoping					
In scope locations	Scope	Statutory audit performed by EY	Coverage	Current year rationale for scoping	
			Gross Expenditure	Size	Risk
Great Yarmouth Borough Council	Full	Yes	89.1%	Yes	Yes
Equinox Enterprises Limited*	Specific	No	10.9%	Yes	Yes
TOTAL FULL & SPECIFIC SCOPE			100%		

Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams. We have listed our planned involvement below.

Location name	Planned involvement by the Group team
Equinox Enterprises Limited	<p>We will:</p> <ul style="list-style-type: none"> ▶ Issue group audit instructions to the component auditor; ▶ Determine the competence and independence of the component auditor whose work we wish to rely on; ▶ Obtain specified forms from the component auditor; and ▶ Review the working papers of the component auditor.



06

Audit team



Audit team

Debbie Hanson
Assurance Partner

Sappho Powell
Senior Manager

Andrew Paylor
Manager

Use of specialists

Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Valuation of land and buildings including investment property	EY Real Estates (as required) and the Council's in house property valuer as well as an external company (Harvey & Co)
Pensions disclosure	EY Actuaries, PwC (Consulting Actuary to PSAA) and Hymans Robertson (the Council's actuary)
Fair value investment measurement	Arlingclose (the Council's Treasury Advisor)

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



07

Audit timeline





Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2020/21.

From time to time matters may arise that require immediate communication with the Audit and Risk Committee and we will discuss them with the Audit and Risk Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

We note that in prior years there have been significant delays in the completion of the audit, with the opinion and certificate on the 2019/20 financial statements not being issued until December 2021. A number of factors have impacted on the timely completion of the audit, including the level of errors identified, difficulties obtaining listings for debtors and creditors and delays in responses to audit queries. We acknowledge that we also experienced some resourcing difficulties in 2019/20. We recommended in our 2019/20 Annual Audit Letter that the Council should revisit again its closedown process in these areas to ensure that this part of the audit can be completed more efficiently and effectively future years. If timely responses to working paper requests and audit queries are not provided in relation to the 2020/21 we will need to reschedule the audit to a later date than those set out below.

Audit phase	Timetable	Audit and Risk committee timetable	Deliverables
Planning: Risk assessment and setting of scopes. Walkthrough of key systems and processes	June 2022	Committee: July 2022	Audit Planning Report
Year end audit	June/July 2022		
Audit Completion procedures	September 2022	Committee: September 2022	Audit Results Report Audit opinions and completion certificates
Conclusion of reporting	December 2022	Committee: date to be confirmed	Auditor's Annual Report



08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between the you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. ▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard [note: additional wording should be included in the communication reflecting the client specific situation] 	<ul style="list-style-type: none"> ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ▶ Written confirmation that all covered persons are independent; ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Debbie Hanson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, the current ratio of non-audit fees to audit fees is 0%. We do however, provide Agreed Upon Procedures work in relation to the Housing Benefit Certification in line with DWP guidance. This falls outside of the audit fee set by PSAA Ltd for a Code of Practice engagement. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4. There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Council. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Relationships, services and related threats and safeguards

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.
There are no other threats at the date of this report.

Description of service	Related independence threat	Period provided	Safeguards adopted and reasons considered to be effective
We have undertaken the audit of the Housing Benefits Subsidy Claim 2020/21.	Self review threat - figures included in the return are also included in the 2020/21 financial statements.	Relates to 2020/21 return for the period to 31 March 2021.	We have assessed the related threats to independence and note that the agreed upon procedures focus on the specific requirements of the certification arrangements. No other threats to independence have been identified.

Other communications

EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2021:

[EY UK 2021 Transparency Report | EY UK](#)

New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 16 March 2021. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

Summary of key changes

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
 - Tax advocacy services
 - Remuneration advisory services
 - Internal audit services
 - Secondment/loan staff arrangements
- An absolute prohibition on contingent fees.
- Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.
- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering will apply for otherwise prohibited non-audit services that are open at 16 March 2021 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Audit Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the audit committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.

Next Steps

We do not provide any non-audit services which would be prohibited under the new standard.



09

Appendices



Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work. As noted earlier in this Plan, PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit. We are currently in the process of discussing the extent of these areas and the audit risks highlighted in this Audit Plan as relevant in the context of Great Yarmouth Borough Council's audit, and the resultant impact on the scale fee. We have only set out the published Scale Fee in the table below.

	Planned fee 2020/21	Scale fee 2020/21	Final Fee 2019/20
	£'s	£'s	£'s
Total Fee - Code work	46,966	46,966	46,966
Changes in work required to address professional and regulatory requirements and scope associated with risk (see Note 1)	TBC	-	44,434
Additional work required due to changes in auditing standards for estimates (note 4)	2,500		
Additional work required due to changes in audit scope of VFM work (note 4)	6,000 to 11,000		
Revised proposed scale fee	TBC	46,966	87,400
Additional work:			
2020/21 additional procedures required in response to the additional risks identified in this Audit Plan.	TBC	-	-
All fees exclude VAT	TBC	46,966	87,400

Note 1: For 2019/20, we proposed an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors, as detailed in our 2019/20 Audit Results Report. Our proposed increase was discussed with management and has now been determined by PSAA as set out in the above table. For 2020/21 the scale fee has again been re-assessed to take into account the same recurring risk factors as in 2019/20 and will be submitted to PSAA once the audit has been complete.

Note 2: PSAA published additional information for 2020/21 audit fees in August 2021, whereby PSAA provided guidance about the range of minimum additional fee in certain areas of audit. The figures above are the ranges or minimum fee set by PSAA. PSAA also revised its hourly rates for calculating the additional fee variations.

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statement opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Council; and
- The Council has an effective control environment.




If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Appendix B




Required communications with the Audit Committee

We have detailed the communications that we must provide to the Performance & Audit Scrutiny Committee.

		Our Reporting to you
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Performance & Audit Scrutiny Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit Plan - July 2022
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process. 	Audit Results Report - September 2022
Group audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements 	Audit Results Report - September 2022 Audit Plan - July 2022




Appendix B

Required communications with the Performance & Audit Scrutiny Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Audit Plan - July 2022</p> <p>Audit Results Report - September 2022</p>
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit Results Report - September 2022
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Performance & Audit Scrutiny Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Performance & Audit Scrutiny Committee may be aware of 	Audit Results Report - September 2022
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Audit Results Report - September 2022





Appendix B

Required communications with the Performance & Audit Scrutiny Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit Results Report - September 2022
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	Audit Results Report - September 2022
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Performance & Audit Scrutiny Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Audit Results Report - September 2022
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report - September 2022

Appendix B

Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - September 2022
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - September 2022
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - September 2022
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the audit plan is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	Audit Plan - July 2022 Audit Results Report - September 2022 Auditor's Annual Report - December 2022

Additional audit information

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Performance & Audit Scrutiny Committee reporting appropriately addresses matters communicated by us to the Performance & Audit Scrutiny Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

Subject: Corporate Risk Register

Report to: Management Team – 06 July 2022

Audit and Risk Committee – 25 July 2022

Report by: Kaye Bate, Corporate Risk Officer



SUBJECT MATTER

This report asks the Audit and Risk Committee to review the Corporate Risk Register to determine whether the register correctly reflect the risks affecting the Authority.

RECOMMENDATION

1. That Committee review the Corporate Risk Register.

1. INTRODUCTION / BACKGROUND

- 1.1 The Audit and Risk Committee is responsible for monitoring the arrangements in place for the identification, monitoring, and management of strategic and operational risk.
- 1.2 The Audit and Risk Committee last reviewed the register in December 2021.
- 1.3 This report informs the Audit and Risk Committee of the current corporate risk position.

2. Corporate Risk Register

- 2.1 The Corporate Risk Register was last reviewed by Executive Leadership Team in June 2022.
- 2.2 The risk matrix below shows how the risks identified in the Corporate Risk Register are distributed. There are currently 28 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.
- 2.3 Since presenting the Corporate Risk Register to the Audit and Risk Committee in December 2021 there has been:

Five risks have been added to the register:

- 12B. Capacity and Resilience of the Control Centre
17. BT upgrade network from analogue to digital & Caister exchange upgrade
25. Creation of Local Authority Subsidiary Company for Operational Services
26. Failure to reduce the Carbon footprint of the Council as an organisation / Failure to embrace sustainability and mitigate the impact of climate change
28. Confidential Risk

Three risks have been removed from the register as they are no longer perceived to be a significant risk to the Council.

The risk rating for one risk have reduced due to the implementation of the action plan and further control measures in place:

23. COVID 19 - Impact of response and recovery actions on the residents and businesses of the Borough

The risk rating for three risks have increased:

- 5b. Impact of inflation rise
7b. Cyber Security
11. Management of Major Projects

RISK MATRIX					
Likelihood	5			7b – Cyber Security	12B – Capacity and Resilience of the Control Centre
	4		3 – Incident Management - Flood Risk 11 – Management of Major Projects 18b – Sufficient resources and resilience to ensure effective contract management 20 – Tree open and play spaces Management	5a - Local/National Economy 12A – Workforce Capacity 22 – IT systems capability and interaction	1 – Financial Stability 4b – Coastal Erosion
	3	19 – Change Management 23 - Covid – Recovery Phase and Resilience for residents and businesses of the Borough	6 – Compliance with General Data Protection Regulations (UK GDPR) 7A - Information Security 8 - Data quality 13 – Changes in government policies 16 - Infrastructure not being able to meet demand 21 – Loss of Reputation	5b – Impact of Inflation rise 18a – Sufficient resources and resilience to ensure effective procurement 26 – Failure to reduce Carbon footprint / failure to embrace sustainability and mitigate the impact of climate change 27 – Confidential Risk	2 – Reduced spending in Great Yarmouth 4A– Flood and coastal management 17 – BT upgrade network & Caister exchange upgrade
	2		9 - Event Management – for large scale events held in the Borough 24 - Gaps in Insurance cover - insurers reducing cover in place with the result that Council assets may not be adequately covered	10 - Business Continuity 14 - Delivery of long term strategic objectives 15 - Lack of community cohesion / community tensions 25 – Creation of Local Authority Subsidiary Company for Operational Services	
	1				
	1	2	3	4	5
Impact					

Likelihood – 5 Very Likely, 4 Likely, 3 Fairly Likely, 2 Unlikely, 1 Very unlikely
Impact – 5 Severe, 4 Significant, 3 Moderate, 2 Minor, 1 Negligible

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

- 2.4 The Corporate Risk Officer will present the Corporate Risk Register after its next review by Management Team in six months.

3. FINANCIAL IMPLCATIONS

- 3.1 See attached Corporate Risk Register.

4. RISK IMPLICATIONS

- 4.1 See attached Corporate Risk Register.

5. CONCLUSIONS

- 5.1 The Corporate Risk Register currently reflects the risks affecting the Authority and where applicable action plans have been put in place to reduce the current scores and risk affecting the Authority.

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



CORPORATE RISK REGISTER

Last Review:	ELT July 2022 / CRG June 2022	A & R 6 December 2021
Review Date:		25-Jul-22
Review By:		A & R

Impact and Likelihood Matrix Explanation
Risks are rated by two factors:
IMPACT - the impact to the business of the identified risk should it be realised
LIKELIHOOD - the likelihood that a risk will become a business issue

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

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

DIRECTION OF TRAVEL	
↔	No change to current risk rating
←	Current risk rating has reduced
→	Current risk rating has increased

Risk ID No	Risk	Risk Owner	Description of Risk	Impacts	Action Plan	Current Rating			
						Likelihood	Impact	Risk Rating	Direction of Travel
1	Financial sustainability	ELT	Unknowns about the future funding for Local Government including the operation of the business rates retention scheme	Inability to effectively plan for the medium to long term	Review of the Medium Term Financial Strategy when the outcomes of the Fair Funding Review and review of the Business Rates Retention Scheme are announced.	4	5	20	Very High
			Significant reduction in Central Government funding	Unplanned reductions to services and quality of delivery	Continued review of reserves and balances to manage cashflow, unexpected events and use of reserves to deliver longer term benefits				↔
			Increased volatility from external funding including business rates and council tax, exacerbated by the impact of the pandemic	Annual budgets exceeded and greater reliance on the use of reserves	Continued maintenance of the Medium Term Financial Strategy and delivery of the themes of the business strategy				
			Reduced income from Joint Ventures	Resources diverted from services	Member workshops and engagement as part of the budget and MTFS preparations				
				Annual savings and new income streams not achievable	Monitoring and scrutiny of all JV operations and Subsidiary Companies				

				Changes to existing income streams	Continue to pro-actively respond to central government funding consultations				
				Reduced income from recycling credits	Recyclable tonnage income / fail to get good rates for product Lack of market for recyclates Removal or changes to recycling credits Increased funding to support NEWS and MRF Inability to deliver strategic objective	Active member of the Norfolk Waste Partnership (NWP) Levelling up funding and possible constraints due to current economic climate			
2	Reduced spending in Great Yarmouth	ELT	Reduction in spending / budget decisions of partner organisations	Unfunded activity / funding opportunities	Working with partners to redesign and streamline service delivery / share resources	3	5	15	High
			Consultation around spending reduction	Resources diverted from services Services have to be reduced / withdrawn	Working together to build capacity of communities Understanding and responding to proposals				↔
			Housing related support cuts Devolution	Inability to deliver strategic objectives Increased demand placed on borough council services Unmet demand	Understanding funding requirements and protecting spend				
3	Incident Management - Flood Risk	Head of Environmental Services and Sustainability, Head of Property & Asset Management, Major Projects & Development Director & ELT	Potential of flooding and tidal surge event in the short term and long term	Disruption of commercial activity	Emergency Response Plan / Recovery Plan	4	3	12	High
			More frequent flooding and tidal surges due to climate change Failure of flood barriers	Health and safety issues Inability to deliver services Additional demands on resources to undertake post event inspections and repairs to coastal assets Potential of additional support from the Council adding to the demands of the team	Business Continuity Plan - Rest Centre plans to be Covid compliant. Possible impact on rest centre management Norfolk Strategic Flood Alliance established - emerging strategy under consideration. Action Plan in place. Monitor weather regularly / EA flood warning system Liaising and working with partners and other organisations / agencies				↔
			Surface water flooding		Surface Water Management Plan - work underway with County to refresh				
4A	Flood and coastal Management	Head of Environmental Services and Sustainability, Head of Property & Asset Management, Major Projects & Development Director & Director of Planning & Growth	Failure of flood and coastal defences	Impact on economy and increased business development for the Borough	Working with businesses to improve awareness	3	5	15	High
			Major flooding and Tidal Surge event	Reducing economic potential for the area	Long term plan to review, repair and renew flood defences				
			Sea Level Rise / Climate Change	Impact on infrastructure across the borough	Facilitation of community groups to work with coastal areas in relation to adaptations				↔
			Deterioration of assets and changes in beach processes	Health and Safety Risk to life or loss of public or private property, infrastructure and assets	Mott Macdonald Economic Business case is well established and agreed for river / flood defences Local Plan Part 2 - addresses relocation schemes & future development. emerging policy re: new development and flood risk adopted in December 2021				
			Extending the length of river frontage for which the Council have responsibility – current proposal of de-manning by the Environment Agency	Lack of resources to fund maintenance on watercourses transferred from EA control Loss of environmental asset	Long term plan to review, repair and renew flood defences – engaging with Coastal Partnership East and the Environment Agency EA funding - covers tidal and coastal				
			Limited availability for resources and finance for maintenance and repairs	Resources and financial implications to council for clear up	Emerging Environmental Net Zero Strategy				

			Increased costs in construction and recruitment	Reputational risk dependent in event drivers and also Council's reaction and actions to the event Resilience of teams significantly reduced due to response work Changes expectations of community and members	Managing reputation and media and comms across council Monitoring weather / surge reports and engagement with partners / agencies Defra funding				
4b	Coastal Erosion	Head of Property Services	Erosion of cliffs and dunes Sea Level Rise / Climate Change Deterioration of assets and changes in beach processes Limited availability for resources and finance for maintenance and repairs Increased costs in construction and recruitment	Impact on economy and increased business development for the Borough Reducing economic potential for the area Impact on infrastructure across the borough Health and Safety Risk of Life and Loss of property, infrastructure and assets Loss of environmental asset Resources and financial implications to council for clear up Reputational damage Changes expectations of community and members	Working with businesses to improve awareness Facilitation of community groups to work with coastal areas in relation to adaptations Short term options for coastal erosion Emerging Environmental Net Zero Strategy Managing reputation and media and comms across council	4	5	20	Very High
5a	Local/National Economy	CEO	Downturn in national / local economy Issue of Welfare Reform National Policy - changes to benefit - universal credit rolled out Impact of COVID and Brexit Supply chain shortages due to conflict Increased cost of living, fuel shortages, construction costs, materials, plant and resource availability and hyper inflation	Increased workload for Council staff (Benefits/ Economic development/ homelessness) Increase in bad debts Major projects put on hold Downturn in housing market Inability to meet requirements of capital programme Uncertainty lead to a downturn in economy	Strong local economy (town deal and future high street successful funding) Corporate planning Monitoring basket of key indicators Communications Strategy Great Yarmouth Economic Growth Strategy review - periodical to Eco Dev committee Economic Recovery Plan - Action plan in place Monitoring current inflationary pressures	4	4	16	High ↔
5b	Impact of inflation rise	Management Team & Head of Environmental Services and Sustainability	Travel disruption Disruption / increased demand of services More completed trade deal Increased food costs Increased costs for goods and services and disruption of trade Financial hardship cases due to energy cap and rising in energy and food costs / loss of household income Current conflict in Ukraine	Increased costs, increased demand for services, scarcity of labour, scarcity of goods and supplies or other operational impacts which impair the Councils ability to deliver services for people within the borough Localised freight disruption and increased usage of Peel Ports Information sharing and data sharing Community unrest Increased Joblessness and Homelessness Ability to recruit and retain key staff	Working closely with the local resilience forum, who are the lead agency, in respect of planning for consequences of trade deal negotiations Working in collaboration New Anglia LEP on EU exit EU transition Group currently in dormant LEP area BREXIT forum Milestone to be met for the implementation of the Brexit trade rules implicit in the trade deal Government support and funding / Household Support fund Ukraine community support pot	3	4	12	High →
6	Compliance with UK General Data Protection Regulations (UK GDPR)	Management Team	Data breaches of personal information	All staff must comply with the new regulations from 25th May 2018. Data Protection Policy, Data Protection Impact Assessment Policy & Record Management Policy must be reviewed annually and updated where necessary. All requests for information must contain a Privacy Notice or a link to a Privacy Notice on our website	Publication Data Protection Policy and creation of Records Management Policy, Data Impact Assessment Policy and Breach Notification Procedure	3	3	9	Medium

		Head of Legal & Governance	Staff not completing their Data Protection training	Fines and costs	GDPR training provided to all staff and members and repeated annually. GDPR training also forms part of new starter induction. HR required to be informed of any recruitment to add to eLearning system and all temporary staff and consultants required to complete training					↔
		Finance Director	Some computer systems are not compliant with the new regulations regarding data deletion	Reputational damage / bad publicity resulting from Data Breaches	Procurement process has begun to replace or upgrade the non compliant computer systems. As part of this data records will be reviewed and those outside of their retention securely deleted					
		Management Team	Records outside of their retention are retained at various offsite locations	Insurance claims	A methodical review of offsite records has commenced, this is being carried out in a controlled manner with the support and oversight of the Data Protection Officer. Work in this area has had to be paused due to the Covid pandemic, redeployment of staff and roll out of vaccine. Work to progress during the summer of 2022					
		Management Team	Capacity to undertake data cleansing and deletion.		Further work to be undertaken to ensure cookies fully compliant with GDPR regulations					
					Agile working policy covers / considers working from home and data protection.					
7a	Information Security	Management Team, IMT Manager & Head of Legal & Governance	Good management, protection of information	DWP refuse to correspond with GYBC electronically Loss of capability to handle Housing Benefits and other issues	Security Policy and Digital Strategy. Information Security manager in post	3	3	9	Medium	↔
			Number of cases of lost information by public and private bodies	Information lost/mislaidd therefore loss of reputation and potential legal claim	PSN Compliant / Accepted by DWP computer security (PSN) – Annual renewal					
			Need to attain criteria set by government to retain information flow with DWP (Department Works Pensions)		Realisation that information includes paper, people and computer					
					Monthly Governance Board meetings - new data sharing policy with NHS - via James Wedon - system that will share NHS and GP data - integrated care system ICS replace CCG from 1 July bring together health and social care NHS England and government sharing data via pandemic introduce as new normal					
7b	Cyber Security	Management Team, IMT Manager & Head of Legal & Governance	Cyber threats upon the Council's systems - data / systems hacked	Data could be shared for criminal use etc. Breaches of GDPR and non-compliance with policies and procedures	IT security procedures and IT security policy	5	4	20	Very High	→
			Increase cyber attach treat due to current conflict in Ukraine	Loss of IT Systems and Loss of Information	LGA Grant for Cyber Security and Cyber training					
			Services not recovered within reasonable timescale due to inadequate business continuity plans or loss of resilient capacity	Unable to deliver basic business services. Inability to recover to agreed service levels within agreed timescales	Information Technology Investment Group / Risk is a standing item on the agenda					
				Financial implications	Annual Cyber Security Health check undertaken by NCC					
8	Data quality	Management Team, IMT Manager & Head of Legal & Governance	Records not maintained accurately or securely	Inaccurate data used for decision making	IT security procedures and IT Security Policy	3	3	9	Medium	↔
					Data Management & Data quality action plan and Data Cleansing					
9	Event Management - for large scale events held in the borough by a third party on Council Land	Head Marketing & Communications	Failure of event / duty of care	Cancellation / suspension of event	ESAG Group (Police, Highways, Ambulance Service, Fire Service, Coastguard and key GYBC staff), ESAG website and ESAG email address - ensure that we work together effectively through the ESAG structure to support the planning of large scale events and ensure we respond effectively if anything goes wrong	2	3	6	Medium	↔
		Head of Environmental Services		Major incident	Event Management Plan, Event Guidance and Guide to Councillors					
				Reputational damage / bad publicity	Member & Officer Groups					
					Involvement / consultation of key officers					
					Engagement of stakeholders					
					Online Event Notification form and centralised mailbox					
10	Business Continuity	Management Team	Loss of facilities (flooding, fire etc)	Service delivery impaired	Capability exists for staff to work from home and support key services	2	4	8	Medium	↔
			Loss of IT systems	Inability to pay creditors/benefits	Business Impact Assessments / 3rd Party Service Agreement					
			Loss of reputation	Relocation of services	The Loop - web-based programme and external provider					

			<p>Loss of staff time and system functionality</p> <p>Loss of staff (fuel strike, industrial action etc)</p> <p>Loss of temporary accommodation provider</p> <p>Ukraine war</p> <p>Energy outages / Fuel Strike</p>	Range of providers	<p>Insurance</p> <p>Information Technology Investment Group</p> <p>Additional resource from NCC and monthly meetings with NCC to discuss SLA</p> <p>Business Continuity plans updated to included Agile Working</p> <p>The UK have a range of reliable sources for oil imports. The UK is a significant producer of both crude oil and petroleum products, and holds oil stocks in the unlikely event of a major oil supply disruption. The Government has contingency plans in place to mitigate residual risks.</p>				
11	Management of Major Projects	ELT	<p>Failure to deliver project or project overspend / over running</p> <p>Resourcing and capacity</p> <p>The impact of increases to inflation, current issues with the supply chain and material prices e.g. steel, could have an impact on the delivery of key projects and contingency budget</p> <p>Reduced opportunities to effectively manage and achieve financial requirements of assets.</p> <p>Failure to comply with funding agreement / conditions</p>	<p>Cancellation / suspension of project</p> <p>Reputational damage / bad publicity</p> <p>Financial impact on Council to ensure delivery of programmes and projects including affordability in medium/long term.</p> <p>Failure to met regeneration</p> <p>Failure to met government and other external funders guidelines for spending / reduced or cancellation of funding</p>	<p>Involvement / consultation of key officers</p> <p>Head of Capital Projects Project post out for recruitment. Project Team- recruitment drive to increase capacity within team. All PMO staff Prince 2 trained</p> <p>Business Case and Risk Register / risk logs completed, monitored and updated. Review of contingency budgets and plans</p> <p>Suite of documents created for setting up &, delivering and monitoring projects. Agreed governance structure for management of project</p> <p>Guidance on how to access assistance from Project Team and relevant service areas consulted at the outset</p> <p>Dedicated officer to manage the risk / issue and governance of all projects going forward, which can be followed / implemented by other team members.</p> <p>Understanding funding requirements and protecting spend</p> <p>Strong local economy</p>	4	3	12	High ➔
12A	Workforce Capacity	Management Team	<p>Departure of key individual</p> <p>Difficulty of recruitment</p> <p>Skills shortage</p> <p>Staff workload levels increased due to impact of responding to Covid pandemic and maintaining business as usual.</p> <p>Lack of resource to deliver Health & Safety</p> <p>Failure to comply with Health & Safety legislation and corporate approach not consistently applied</p>	<p>Skills lost</p> <p>Negative impact on capacity of other staff</p> <p>Lack of delivery of service objectives</p> <p>Buying in of consultancy/temporary staff</p> <p>Fines and costs</p> <p>Increased demand for services and scarcity of labour / Delays in delivery of services</p> <p>Increased sickness absence</p> <p>Reduced productivity</p>	<p>Recruitment drive to fully staff and up resource new programmes of work</p> <p>BC Plan for single points of failure</p> <p>Workforce Planning - Organisational Development Plan, personal reviews and succession planning</p> <p>Business Strategy</p> <p>Agile working Policy. Emerging Health and Wellbeing Flexible Working Policy</p> <p>Monitoring of workload of staff at service, team and individual level. Additional short term staff resource (where possible) / Prioritisation of tasks / Risk Based approach</p> <p>Partnership arrangements for health and safety to be reviewed. Creation of Health & Safety Co-Ordinators. Partnership arrangements for Resilience Officer to improve resilience in these kev areas. .</p> <p>Employee Support Scheme and other wellbeing support</p> <p>Maximisation of external funding to support service delivery</p>	4	4	16	High ↔
12B	Capacity and Resilience of the Control Centre	Housing Director	<p>Loss of staff due to sickness and resignation to deliver Control Centre Service and Out of Hours Service</p>	<p>Insufficient staff to deliver the service safely.</p>	<p>Cover from within existing team, however not sustainable owing to high staff absence.</p>	5	5	25	Very High

				Shifts left uncovered Emergency alarm calls go unanswered, risk to health and life of residents reliant on the service. Out of hours call not answered, emergency repairs not being delivered, statutory emergency response to emergencies such as homelessness, unsafe building, environmental issues not being provided. Shifts covered by staff who are not fully trained, leading to mistakes and risk to health and life of residents reliant on the service and out of hours services not being provided correctly. Reputational damage to the council including impact on collaborative working relationships with partners and stakeholders. Increased sickness absence	Recruitment to fully staff. Training will be required to be provided to those recruited Temporary short-term cover from wider housing team with previous knowledge of the service. As and When Register Review and investigate recruitment agencies (not an immediate solution) Report to ELT 22/06/2022 detailing short-to medium term solution to bolster resilience using an external provider to provide cover. Sickness absence management				
13	Changes in Government policies	CEO	Insufficient focus of organisation on “bigger” picture	Loss of funding / funding opportunities Insufficient preparation for policy changes/ new responsibilities	Business Strategy Resource and waste strategy is currently out to consultation- Consultation are responded to and go through decision process	3	3	9	Medium ↔
14	Delivery of long term strategic objectives	ELT	Council focuses on the issues of the day rather than a vision for the future Lack of political direction for strategic objectives Financial resources unavailable for to deliver the aims and ambitions identified	Non delivery of strategic objectives Negative impact on residents of the Borough Loss of reputation Implications on future funding / grants Timescale of projects not met due to unavailability of resources Impact of unexpected increased of project costs (e.g. resources, increasing costs) Pressure on finances	Medium Term Financial Strategy Service Planning Corporate plan & Annual Action Plan Pathway to Recovery Plan (Covid) Great Yarmouth Economic Growth Strategy Local Plan Core Strategy adopted and Local Plan Part 2 adoption November 2021 (to 2030) Investment (Town Deal / Future High street Fund Etc) Business Strategy Levelling Up Agenda	2	4	8	Medium ↔
15	Lack of community cohesion / community tensions	Strategic Director – P Boyce	Social changes / immigration / increase in unemployment Financial hardship cases due to energy cap and rising in energy and food costs Clinically Extremely Vulnerable (CEV) residents and Potentially Vulnerable People (PVP) requiring additional support	Increased reliance on benefits Increase neighbourly tensions/disputes owing to Lockdown measures Increased joblessness Increased homelessness Pressure on health, social care & welfare services Issues with equality of access to services	Reviews of and better alignment of front-line services to ensure residents get the help and support they need through Multi-agency working across Public Health, Norfolk CC, Police, CCG/Integrated Case System (ICS), the two Primary Care Networks (PCNs) in the borough and the JPUH. Development of Information, Advice and Advocacy (IAA) services directly commissioned under Great Yarmouth’s Community Champions’ Programme and also those services by Norfolk CC’s Adult Social Care’s review of commissioned IAA and SIL (Social Isolation and Loneliness) contracts with VCSE organisations in the borough. Close working with the CCG/ICS in its Health Equalities Project (HEP). Two Community Hub multi-agency operating models are in place: one covering the Great Yarmouth & Northern Villages PCN area (located in GFH) and one for the Gorleston and Southern Parishes PCN area (located at Shrublands). Community Managers supporting the two Community Hubs whereby residents and statutory/VCSE partner agencies collaborate to find solutions, support community capacity-building and thereby diffuse tensions and support social cohesion. Targeted work with the police and other partners to address new and emerging issues relating to housing enforcement, domestic abuse, community tensions and ASB Household Support Fund	2	4	8	Medium ↔

				Increased crime rates and an increase in hate crime	Community Marshal Team - to support GYBC and other Partners within the locality board with out reach work for health and equalities Community Champion Programme - multi cultural and faith network - monthly meeting talking shop to understand issue in the community				
16	Infrastructure not being able to meet demand	Director of Planning & Growth & CEO	New development (commercial and housing)	Increased traffic congestion Lack of services (education/health/social) Stalling of further investment	Local Plan / Infrastructure Plan Ongoing engagement with partner organisations for funding e.g. New Anglia LEP, Highways England, Clinical Commissioning Group, Anglian Water, Environment Agency, Norfolk CC etc Local Plan Core Strategy adopted and Local plan Part 2 adopted GY Transport & Infrastructure Steering Group established and meet regularly Part of Norfolk Growth Group to discuss infrastructure issues across county & strategic planning framework	3	3	9	Medium
17	BT upgrade network from analogue to digital by 31st December 2025 Caister exchange due to be upgraded 2nd August 2022 https://www.openreach.com/upgrading-the-UK-to-digital-phone-lines	Strategic Director - K Blakemore & Housing Director Head of Property and Assets	Community Alarms 600 wired analogue alarms deployed in the borough of which 70 are in Caister. Unclear whether analogue alarms plugged into a hub will work plus hubs do not have battery back-up. Demand for digital alarms outstripping current supply for some providers. Plus, issues with suppliers obtaining some components required to manufacture the alarms make obtaining alarms difficult. Sheltered Housing 33 sheltered sites totalling 945 properties that rely on analogue phone lines for the hard-wired warden call system. Two sheltered sites in Caister totalling 70 properties. The central dialler (Rack) on each of the 33 sites will need upgrading including installing battery back-up to ensure the service can be maintained. GYBC Housing Stock and Council Buildings Emergency phonelines in lifts rely on an analogue phone line	Risk of emergency alarm call failing when the client presses the alarm in an emergency to request help. Assistive technology connected the alarm would also not work. Risk to client's health and wellbeing. Reputational risk, leading to a decline in cut in the service will impact revenue as number of clients could decline. Sheltered housing tenants may not be able to use their alarm to call for assistance in an emergency. Assistive technology connected the alarm would also not work. Risk to tenants' health and wellbeing If power goes out there is a risk that any one trapped in a lift may be unable to use the dedicated alarm call to raise a call to allow them to be rescued and communicate with the Control Centre pending their rescue	Capital bid to purchase additional units over 2-year period to replace all wired analogue alarms. Waive standing orders to procure direct from a framework. Both Chiptech Go and Legrand are on the ESPO framework. The council deploys only digital GSM alarms now, which work off the mobile network and have built in battery back-up of 36 hours. Write to community alarm customers in the Caister area advising of the planned BT upgrade and support that the service can provide. Prioritising Caister to replace wired analogue alarms with GSM digital alarms as more become available. Temporary staff resource to support with distribution of the new digital GSM alarms Access to the BT Stop Sell list which lists the areas that are digital and where BT will Stop providing analogue lines and instead Sell fibre. Capital bid to upgrade sheltered housing racks. Trialling digital alarms from an alternative provider, with a view to placing an order. This provider has more stock availability than the current provider	3	5	15	High
18a	Sufficient resources and resilience to ensure effective procurement.	Finance Director & Monitoring Officer	Corporate procurement approach not consistently adopted Services delivered on behalf of the Council not provided as expected by large/significant contracts / partnerships	Benefits of procurement strategy not realised Efficiency savings not made or contract fail Procured service not value for money / poor Adverse impact on service delivery and consequential publicity and reputational damage Statutory requirements not met	Corporate Policy Statement adopted Engagement of Procurement Specialist and Procurement Working Group Adherence to new Contract Standing Orders Procurement Strategy to be updated to ensure compliance Staff training Publication of transparency requirements for procurement of contracts and internal publication Review of contract management and procedures	3	4	12	High

18b	Sufficient resources and resilience to ensure effective contract management	Management team	<p>Failure to managed contract performance and corporate approach not consistently adopted Contracts not managed / used to full potential and financial benefits not received by the Council</p> <p>Contracts not able to be terminated / reviewed before contract end date</p>	<p>Breach of EU legislation</p> <p>Increase budgets</p> <p>Contract disputes / Partners not engaged and bad relations</p> <p>Fines and costs</p> <p>Reputational damage if not managed effectively</p> <p>Services not delivered efficiently</p>	<p>Staff training to dedicate contract management roles and guidance on Intranet</p> <p>Consistent management and publication of Contract Register</p> <p>Contract Management Strategy and standing orders</p> <p>Performance monitoring and reporting to ensure good service quality and better value for money</p> <p>Appropriate governance principals and risk management in place - Risk Register</p> <p>Dedicated contract management roles within services to improve accountability & capacity for managing major contracts</p> <p>Role of contract manager defined</p> <p>Ensure compliance with legislation / regulations and Councils processes and procedures</p>	4	3	12	High
19	Change Management	Head of Organisational Development	Key changes managed ineffectively	<p>Service delivery is affected during implementation</p> <p>Staff resource needed to undertake review</p> <p>Council fails to capitalise on opportunity</p> <p>Targets not achieved</p> <p>Funding is missed</p> <p>Resources wasted</p> <p>Significant increase in construction costs, materials, plant and resource availability and hyper inflation</p> <p>Loss of key staff & staff morale</p>	<p>Business Strategy and Change Management Policy</p> <p>Application of a formal programme management framework</p> <p>Monitoring of project plan</p> <p>Ongoing assessment of the project risks</p> <p>Organisation Development Plan</p> <p>Departmental Managers Meetings</p> <p>Equalities and Diversity Inclusion Strategy and delivery Plan</p> <p>Staff Engagement Group and programme</p>	3	2	6	Medium
20	Tree, open and play spaces management	Director of Operational Services, Head of Environmental Services and Sustainability & Head of Property & Asset Management	Failure to managed tree inspection and land management	<p>Insurance claims and increased insurance premiums</p> <p>Clarity on ownership of land across the Borough</p>	<p>A review of current inspection policy to ensure compliance with best practice</p> <p>To include all amenity land within the Concerto Asset Database to provide a comprehensive database of ownership.</p> <p>Tree Strategy currently being reviewed - trees are being inspected but policy needs to be reviewed</p> <p>Trees for city funding</p>	4	3	12	High
21	Loss of Reputation	ELT / Head of Marketing & Communications	<p>Lack of transparency in decision-making process</p> <p>Factually incorrect or negative media reporting</p> <p>Inability to attract investment</p>	<p>Lack of trust from residents</p> <p>Loss of confidence from investors and key partners - project delivery</p> <p>Lack of sense of pride in the Place - don't managing flooding or finances</p>	<p>Clear & accurate committee reports with recorded decisions available in the public domain</p> <p>Maintenance of a timely and effective relationship with representatives of the media/press.</p> <p>Clear communications plans in place to promote the council's Corporate Priorities & also for projects.</p> <p>Transparent stakeholder engagement incl. planning and evidence-gathering.</p> <p>Risk associated with joint ventures and other council funded partners. Understanding funding requirements and monitoring spend and delivery</p>	3	3	9	Medium
22	IT systems capability and interaction	<p>Management Team</p> <p>IMT Manager</p>	<p>Some system will no longer be supported / maintained by the IT provider. Therefore has become unfit for purpose and causing service interruptions and issues</p>	<p>System costs are disproportionally costly based on functionality of system</p> <p>Upgrades costly</p> <p>Week in arrears - loss of possession cases due to the way information is held</p> <p>Service interruptions and issues - resource implications</p>	<p>Aware of limitations of systems</p> <p>Procurement of new systems</p> <p>Internal processes to manage</p> <p>Using as effectively as can and aware of weaknesses</p>	4	4	16	High

				No document management - required to use two systems - increased risk of error Increase functionality Systems don't talk together Reduced productivity, increased timescales for completing tasks.	Sub marketing testing Road map / action plan of systems to be addressed and detailed business cases presented for approval to the IT Investment Group Digital transformation and strategy Flexibility within home/office arrangements to minimise impact on productivity				
23	Covid - Recovery phase and Resilience for residents and businesses of the Borough	ELT	Continued support of isolating and vulnerable residents Supporting local businesses and Tourism industry. Complex housing needs Social cohesion/well-being / Impact on mental and physical wellbeing Continuity of services delivered by partners. Impact on acute and primary health service Impact on residents due to hardship / loss of household income Impact on energy bill crisis and current conflict in Ukraine - ability to collect rent and CT etc	High level of business failure / ability to operate effectively or to full potential impacting on business growth and unemployment Increased homelessness and housing needs Financial and staff required for long term support of vulnerable residents Reduced social cohesion Longer term impact to the local economy and the Council's financial position through reduction in Council funds Disruption to service delivery including potential of staff absence and increased workloads	Collaborative working in the locality with VCSE and other commissioned community-facing organisations to support residents with low level (welfare and housing) needs. Agile working, ability to respond and reprioritise Adoption of financial relief measures offered by Government Ukraine community pot for guests What ever it takes Grant Household Support Grant	3	2	6	Medium ←
24	Gaps in Insurance cover - insurers reducing cover in place with the result that Council assets may not be adequately covered	Finance Director	Reduced level or removal of cover provided by insurers Inadequate or no insurance cover could have significant financial implications, dependent on the value of the asset and the extent of the damage / loss. Impact on increased financial risk to the Council due to the removal or reduced level of cover	Increased self insurance and insurance reserve Increased project costs	Updated MTFS to earmark funds for self insurance including re-allocations to the insurance reserve. Annual review of insurance cover Consultation with insurers for all major projects / development and business activities	2	3	6	Medium ↔
25	Creation of Local Authority Subsidiary Company for Operational Services	Strategic Director – K Blakemore & Director of Operational Services	Failure to comply with legislation Failure to communicate and consult with key stakeholders Failure to deliver service	Fines and costs Adverse impact on service delivery with consequential publicity and reputational damage. Significant financial implications and statutory requirements not met. Increased budgets Reputational damage f not managed effectively	Project Manager and HR Manager Appointed Various working groups created and meet on periodic basis / as and when required Quarterly meetings with trade unions Reporting to Committee and ELT Workstreams for branding - IT and Legal Consideration for resourcing required by GYBC to deliver contract Engagement of services for specialist advice	2	4	8	Medium
26	Failure to reduce the Carbon footprint of the Council as an organisation Failure to embrace sustainability and mitigate the impact of climate change	Strategic Director - P Boyce & Head of Environmental Services and Sustainability	Unable to effectively meet commitments identified with Carbon Reduction Plan including key milestones resulting in the Council not meeting its own carbon emissions target as being Net Zero by 2035. Not effectively encouraging communities, businesses and individuals to mitigate their own contribution to and adapt to climate change Not able to meet the council's commitment to reduce its carbon footprint and be at Net Zero by 2035.	Negative impact on the Council's reputation Long term impact on the environment, economy, communities, biodiversity, health & wellbeing. Communities not supported effectively or encouraged to reduce carbon emissions	Partnership working with other authorities and organisations via the Norfolk Climate Change Partnership (NCCP). Embed carbon reduction/Net Zero in all council policies, plans and procurements/supply chain Ensure adequate staff resources to co-ordinate and lead on direction if travel corporately.	3	4	12	High

			Unable to out in place internal initiatives & support external partners, local groups & community-led projects to positively impact on the Climate, Biodiversity and Waste Challenges set-out in the Great Yarmouth Sustainability Strategy	Future benefits and opportunities to embed carbon reduction in supply chains not fully achieved. Negative impact on staff and member morale Negative impact on confidence of partners	Increased flexibility of working procedures and review of policies including home working and remote meetings. Collaboration with staff and key stakeholders including working with New Anglia LEP and Norfolk CC. Increased understanding and working with communities and businesses via the facilitation of a Great Yarmouth Sustainability Forum. Strategic plans in development setting out actions and what is to be delivered Increased understanding and working with communities and businesses via the facilitation of a Great Yarmouth Sustainability Forum.				
CONFIDENTIAL RISKS									
27	Confidential Risk					3	4	12	High
CORPORATE RISKS RECOMMENDED FOR REMOVAL									
	Confidential Risk								
	Confidential Risk								
	Maintenance of five year housing supply and timescale for local plan	Director of Planning & Growth	Inability to complete Local Plan process due to lack of financial/professional staff resource and involvement in other corporate projects	Failure to adopt new statutory planning policy guidance to inform planning applications and Development Control Committee	Additional resource in terms of professional input and/or Projects Team Housing Growth Group established with clear Action Plan Strategic Planning Team fully resourced Monitoring requirements of Natural England for new housing developments in Northern Parishes	1	3	3	Very Low
									↔

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.

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 Council's 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 than 5 %	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	Breach 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 casualties, 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	2	3	4	5
		Negligible	Minor	Moderate	Significant	Severe
LIKELIHOOD OF RISK	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

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.

RISK MATRIX

Likelihood	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
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.

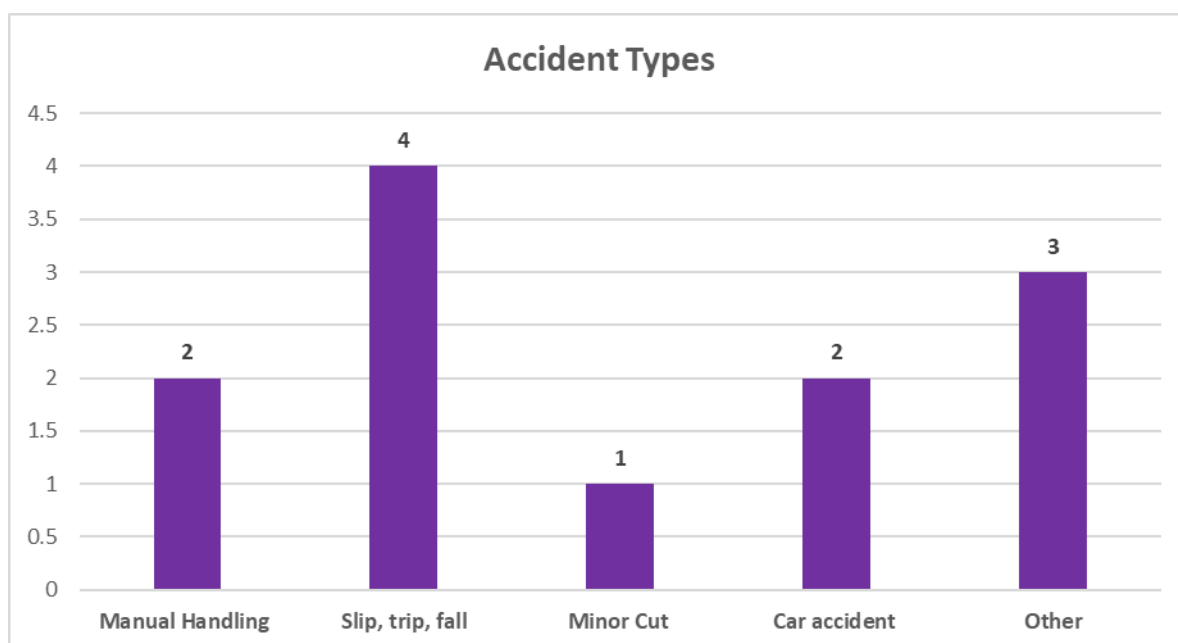
During 2021/22 There were a total of 29 warning marker requests received and these are broken down by type as follows: -

- 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.

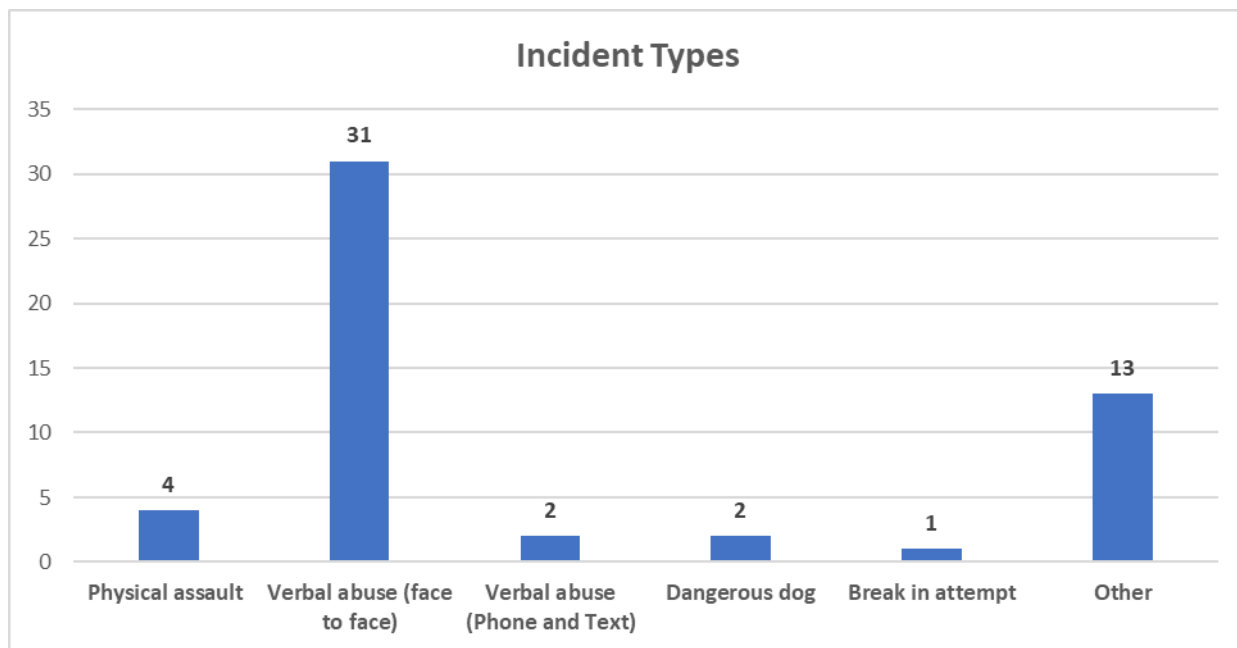
vi) Incident and accident reporting

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.



Others: (i) Stress (ii) Stolen Machine (iii) Customer illness (iv) Psychological 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
Blackwall Green Europe

HSB Haughton Engineering
Zurich Municipal Insurance

Alesco

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 Council's 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	<p>The Corporate Health and Safety Officer priorities are:</p> <ul style="list-style-type: none"> 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	<p>Ongoing</p> <p>Working with HR and to be reported to Health and Safety Group</p> <p>Work in progress</p>
5	<p>Health & Safety Audits will be undertaken for:</p> <ul style="list-style-type: none"> Crematorium Work at height and confined spaces 	Corporate Health and Safety Officer	31 March 2022	Postponed - Programmed for the new year
6	<p>The following policies to be reviewed and implemented:</p> <ul style="list-style-type: none"> Work Equipment Manual Handling Health and Safety Policy Driving Policy Stress Policy 	<p>Corporate Health and Safety Officer</p> <p>Corporate Health & Safety Officer & Head of Organisational Development</p>	<p>31 March 2022 – Revised date: 31 March 2023</p>	<p>Postponed to 2022-2023</p> <p>Completed - Stress Guidance document prepared</p>

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 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.

<p>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: -</p> <ul style="list-style-type: none"> • 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
<p>Safety newsletters have been provided to all staff during the year, which cover a wide range of topics.</p>
<p>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.</p>
<p>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.</p>
<p>Risk management techniques continue to form part of the annual budget setting process.</p>
<p>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.</p>
<p>The Business Continuity function is supplied by Norfolk County Council who provide a Resilience Officer based in Great Yarmouth, work undertaken during the year:</p> <ul style="list-style-type: none"> • 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.
<p>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.</p>
<p>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.</p>

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 Policies.	Corporate Risk Officer	31 July 2022
8	<p>The following Health and Safety Audits will be carried out:</p> <ul style="list-style-type: none"> • 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	<p>The work plan for 2022/23 has also identified that the following policies need to be reviewed and implemented:</p> <ul style="list-style-type: none"> • Health and safety policy • Stress at work policy • Manual handling policy • Work equipment policy • Driving policy <p>Work will also need to be undertaken to rebrand existing policies with the new Council logo and ensure that they meet the accessibility guidelines.</p>	Health & Safety Advisor	31 March 2023

10	<p>In 2022 the main deliverables will be:</p> <ul style="list-style-type: none"> • 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
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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

Subject: Code of Corporate Governance

Report to: Management Team – 06 July 2022
Audit and Risk Committee - 25 July 2022

Report by: Kaye Bate, Corporate Risk Officer



SUBJECT MATTER

This report contains an update to the Council's Code of Corporate Governance, in accordance with best practice.

RECOMMENDATION

That Committee approve the updated Code of Corporate Governance.

1. INTRODUCTION/BACKGROUND

- 1.1 The "Corporate Governance" started to receive prominence during the 1990s following a series of concerns about the way that organisations, both in the public and private sectors, were operating. These concerns prompted a number of reviews, most notably the Cadbury Report, and in 1994 the Committee on Standards in Public Life was created. The first report of the Committee introduced the seven principles of public life, what are now known as the Nolan Principles, which are enshrined as the fundamental principles of how those in public office should behave.
- 1.2 Following this, CIPFA and SOLACE worked together to produce a framework for Corporate Governance in the public sector. This was first produced in 2001 and re-issued in 2007 and 2016. This has formed the basis for the Great Yarmouth Borough Councils Code of Corporate Governance.
- 1.3 The Code of Corporate Governance is the framework of systems, processes, cultures and values by which the council is directed and controlled and through which it accounts to, engages with, and where appropriate leads the community. It enables the council to monitor the achievement of its strategic objectives and is based upon the 7 principles of the International Framework: Good Governance in the Public Sector. The tools that make up the framework provide structures and guidance that Councillors and Officers require in order to ensure effective governance.
- 1.4 Good governance supports the Council through:
 - Enabling the Council to achieve its objectives in an open and accountable way
 - Ensures decisions are sound and lawful, upholding the Council's reputation and minimising the risk of financial loss
 - Ensures decisions take into account local people's needs and priorities
 - Giving the public confidence in the work we do
- 1.5 This report seeks to obtain the support of the Audit and Risk Committee for the updated Code of Corporate Governance.

1.6 The seven principles of good governance 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

1.7 From a legal perspective, the Council is required at least once a year to undertake a review of the effectiveness of its system of internal control and include a statement of this review (the Annual Governance Statement) with its published Statement of Accounts. The Code of Practice on Local Authority Accounting, which the Council follows when preparing its Statement of Accounts, expects that authorities should give regard to the CIPFA guidance when preparing their Annual Governance Statement.

2 CODE OF CORPORATE GOVERNANCE

- 2.1 The CIPFA Guidance states that “to achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained within this Framework. It should therefore develop and maintain a local code of governance / governance arrangements reflecting the principles set out”
- 2.2 Officers have reviewed the Council’s current governance arrangements against the CIPFA Principles of good governance, sub-principles and examples of systems, processes, documentation, and other evidence demonstrating compliance. This has generally shown the Council can demonstrate that it has a high degree of compliance with the principles and sub-principles although there is room for development.

3 FINANCIAL IMPLICATIONS

- 3.1 None

4 RISK IMPLICATIONS

- 4.1 There are no direct risks or implications arising from this report

5 CONCLUSIONS

- 5.1 The attached Code of Corporate Governance shows that that it has a high degree of compliance with the principles and sub-principles. Officers have identified areas where work is to be undertaken to further strengthen the governance arrangements and works will continue during the year to progress with the implementation of these areas to be developed.

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:	There are no direct risks or implications arising from this report
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No



CODE OF CORPORATE GOVERNANCE

Author	Corporate Risk Officer
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Good governance

Good governance is about how the council ensures that it is doing the right things, in the right way, for the communities it serves, in a timely, inclusive, open, honest and accountable manner.

Our commitment

Great Yarmouth Borough Council is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the council and ultimately good outcomes.

Good governance flows from shared values, culture and behaviour and from systems and structures. The Code of Corporate Governance is a public statement that sets out the framework through which the council meets its commitment to good corporate governance.

The Governance Framework comprises the systems, processes, cultures and values by which the council is directed and controlled and through which it accounts to, engages with, and where appropriate leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

Good governance supports the Council through:

- Enabling the Council to achieve its objectives in an open and accountable way
- Ensures decisions are sound and lawful, upholding the Council's reputation and minimising the risk of financial loss
- Ensures decisions take into account local people's needs and priorities
- Giving the public confidence in the work we do

This local code of governance has been developed in accordance with and is consistent with Delivering Good Governance in Local Authorities (CIPFA/SOLACE) which builds on the seven Principles for the Conduct of Individuals of Public Life. The core governance principles of the council 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

This document describes how the council achieves the seven principles of good governance and describes how the council's corporate governance arrangements will be monitored and reviewed.

Great Yarmouth Borough Council works to improve the lives of its residents. We aim to retain and improve the quality of life and prosperity of Great Yarmouth for now and future generations, making it one of the best places to live and work in the Country. We are entrusted with public funds and aim to spend these wisely to improve outcomes in our District.

Monitoring and Reporting

The Council will undertake an annual review of its governance arrangements to ensure continuing compliance with best practice to provide assurance that corporate governance arrangements are adequate and operating effectively in practice. Where reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

Additionally, the Council is required to prepare and publish an annual governance statement in accordance with this framework under Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006. This will be submitted to the Audit and Risk Committee for consideration and will form part of the Council's annual statement of accounts.

The annual governance statement should include:

- an acknowledgement of responsibility for ensuring that there is a sound system of governance (incorporating the system of internal control) and reference to the authority's code of governance;
- reference to and assessment of the effectiveness of key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment;
- an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework;
- an agreed action plan showing actions taken, or proposed, to deal with significant governance issues;
- reference to how issues raised in the previous year's annual governance statement have been resolved;
- a conclusion – a commitment to monitoring implementation as part of the next annual review.

The Chief Executive Officer and the Leader of the Council have joint responsibility as signatories for its accuracy and completeness.

In reviewing and approving the Annual Governance Statement, members will be provided with detailed information regarding the effectiveness of the governance arrangements and systems of control and how these address the key risks faced by the Council. Those assurances will be available from a wide range of external sources, including internal and external inspectorates and managers across the Council.

The Council will continually strive to operate an assurance framework, embedded into its business processes, that maps corporate objectives to risks, controls and assurances. This framework and regular reports on its application and effectiveness will provide members with assurances to support the Annual Governance Statement and will help members to identify whether corporate objectives and significant business risks are being properly managed.

Seven principles for the conduct of individuals in public life.

The governance framework is supported by the seven **Principles of Public Life**, which set the standards of conduct and behaviour to which Councillors and employees should aspire in their day-to-day dealings.

1. Selflessness

Holders of public life should act solely in terms of the public interest. They should not do so in order to gain financial or other benefit for themselves, their family or their friends.

2. Integrity

Holder of public life should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their duties.

3. Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office.

5. Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

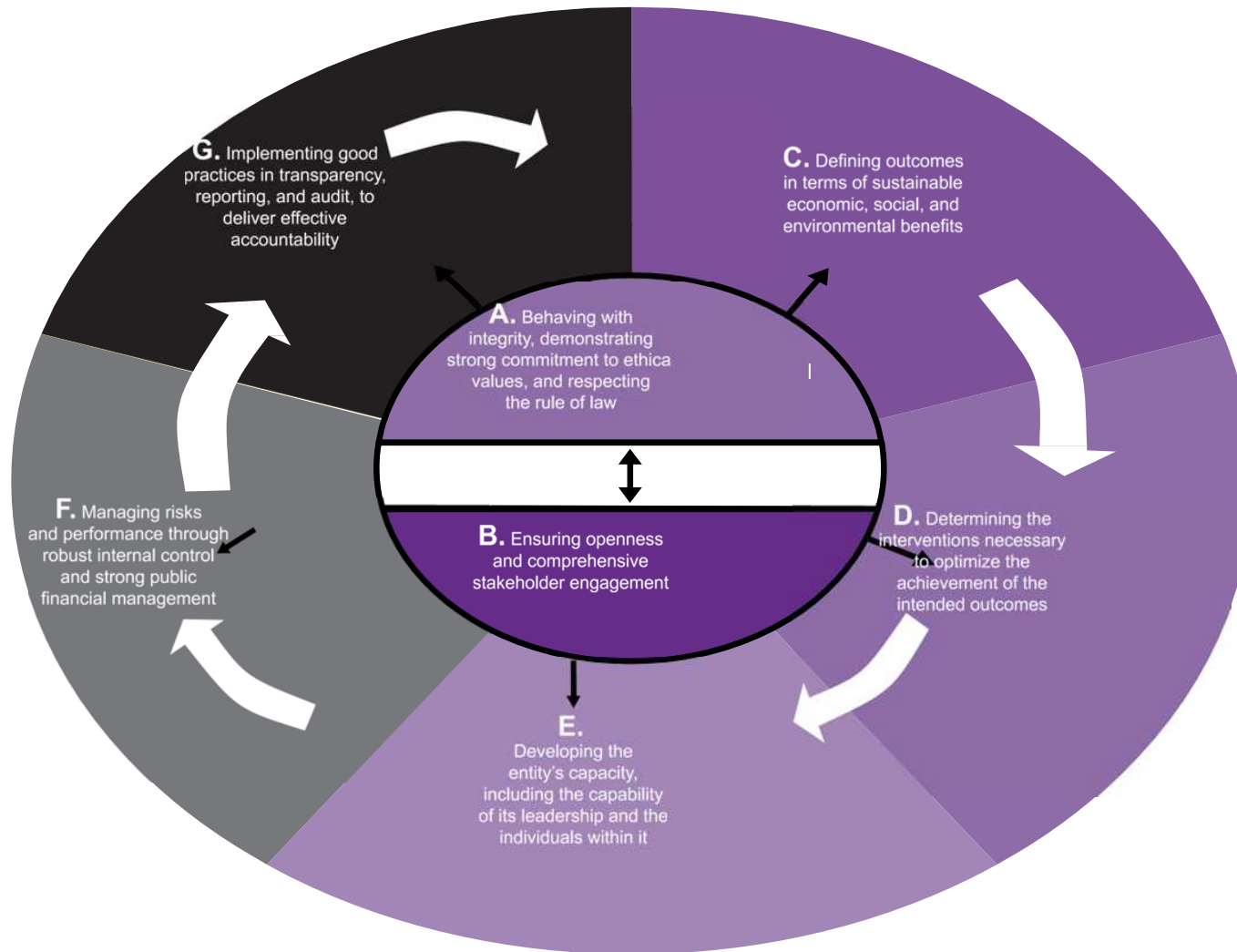
6. Honesty

Holders of public office have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

7. Leadership

Holders of public office should promote and support these principles by leadership and example.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



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

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub - Principle - Behaving with integrity

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> • Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the council • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles) • Leading by example and using the above standard operating principles or values as a framework for decision making and other actions • Demonstrating, communicating, and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively 	<ul style="list-style-type: none"> ➤ The Council's Constitution ➤ Councils Vision and Core values ➤ Members Code of Conduct / induction / training ➤ Register of members interest ➤ Declaration of interest guidance ➤ Employee's code of conduct / Officer Register of Gifts and Hospitality. Officers Register of Interest ➤ Agreed Behaviours Framework ➤ HR Policies and procedures e.g., Grievance policy and procedure ➤ Financial regulations and standing orders ➤ Contract procedure rules / Procurement Strategy - Adopted Chartered Institute of Procurement & Supply (CIPS) Code of Ethics ➤ Scheme of delegation ➤ Statutory roles ➤ Whistleblowing Policy and Anti Fraud, Corruption and Bribery Policy. ➤ Complaints and Compliments procedure ➤ Staff learning hours ➤ Performance Management Framework ➤ Data Handling & Security Breaches ➤ Freedom of information (FOI) system & procedures ➤ Professional Membership / Qualifications Code of Conduct ➤ Planning Enforcement Policy ➤ Planning Protocols ➤ Communications Protocols

Sub – Principle - Demonstrating strong commitment to ethical values

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Seeking to establish, monitor and maintain the Council’s ethical standards and performance• Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council’s culture and operation• Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values• Ensuring that external providers of services on behalf of the council are required to act with integrity and in compliance with high ethical standards expected by the council	<ul style="list-style-type: none">➤ The Council’s Constitution➤ Council’s vision and core values➤ Member’s code of conduct➤ Officers code of conduct➤ Agreed Behaviours Framework➤ HR Policies and procedures➤ Anti Fraud, Corruption and Bribery Policy➤ Complaints and Compliments procedure➤ Partnership Governance Framework➤ Scheme of delegation➤ Standing Orders➤ Contract procedure rules / Procurement Strategy - Adopted Chartered Institute of Procurement & Supply (CIPS) Code of Ethics.➤ Professional Membership / Qualification Codes of Conduct

Sub – Principle - Respecting the Rule of Law

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations• Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements• Striving to optimise the use of the full powers available for the benefit of citizens, communities, and other stakeholders• Dealing with breaches of legal and regulatory provisions effectively• Ensuring corruption and misuse of power are dealt with effectively	<ul style="list-style-type: none">➤ Council vision and core values➤ The Council’s Constitution➤ Role of the Monitoring Officer as per the constitution➤ Member’s induction and training➤ Scheme of delegation➤ Anti fraud, Corruption and Bribery policy, Anti Money Laundering Policy and Whistleblowing Policy.➤ Formal complaints and compliment procedure➤ Staff are required to hold relevant professional qualifications and comply with the law and codes of conduct.➤ Subscriptions to services to ensure staff are provided with appropriate professional support➤ HR policies and procedures➤ Standing Orders➤ Availability of professional legal advice and early engagement➤ Report templates / positive sign off – increased consultation at pre report stage enables issues to be fully explored before report is put to Members

Core Principle B - Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

Sub Principle – Openness

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> • Ensuring an open culture through demonstrating, documenting, and communicating the council's commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs, and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action 	<ul style="list-style-type: none"> ➤ 'The Plan' - Corporate Plan 2020 - 2025 ➤ Annual Action Plan - reviewed & published annual basis ➤ Local Plan and other planning policy documents ➤ Statement of Community Involvement (planning) ➤ Council's vision and core values ➤ Agreed Behaviours Framework ➤ Council Website ➤ The Council's Constitution ➤ Internal Audit ➤ Committee system, agenda, report template & minutes. ➤ Meetings held in private where necessary ➤ Record of decisions and supporting materials ➤ Decision list published ➤ Scheme of Delegation ➤ Forward planning ➤ FOI Policy statement and Publication Scheme ➤ Data champions ➤ Register of member interests ➤ Statement of Accounts ➤ Corporate Communications Strategy/ Communications Protocol ➤ Quarterly Projects and Measures ➤ Performance Report ➤ Customer Service Charter embedded within the Council & performance measures. Introduction & awareness of these standards are in place for new employees ➤ Economic Growth Strategy ➤ Resident and User Surveys / Online feedback ➤ Culture, Heritage and Tourism Strategy ➤ Residents Engagement Strategy ➤ Equality, Diversity, and Inclusion Strategy Action Plan ➤ Ombudsman and complaints reported to standards committee

Sub – Principle – Engaging comprehensively with institutional stakeholders

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably• Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively• Ensuring that partnerships are based on:<ul style="list-style-type: none">– trust– a shared commitment to change– a culture that promotes and accepts challenge among partnersand that the added value of partnership working is explicit	<ul style="list-style-type: none">➤ The Council’s Constitution➤ Local Plan and other planning policy documents➤ Consultation➤ Each partnership will design its own terms of reference / legal framework / constitution as appropriate. It would be the responsibility of the GYBC lead officer to ensure that it fits in with the Council’s current corporate priorities / plans.➤ Partnership Governance Framework➤ Service Level Agreements➤ Advice given to members in relation to outside bodies – see role of Councillors in Constitution➤ Consultation with unions➤ Corporate Communications Strategy/communications protocol➤ Parish Liaison meetings➤ Open forums➤ Networking➤ Parish meetings➤ Developer forums➤ Steering Groups / Boards➤ Economic Growth Strategy➤ Culture, Heritage and Tourism Strategy➤ Funding agreements / agreements with external funders➤ Two community partnership aligning to primary care networks➤ External Funders e.g., Town Deal Funding – understanding funding requirements and protecting spend➤ Integrated Care System (ICS) from July 2022 – Health and Wellbeing Partnership - consultative forum reporting into the Gt Yar & Waveney Place Board

Sub – Principle – Engaging with individual citizens and service users effectively

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Establishing a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.• Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement• Encouraging, collecting, and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs• Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account• Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity• Taking account of the impact of decisions on future generations of taxpayers and service users	<ul style="list-style-type: none">➤ ‘The Plan’ – Corporate Plan 2020 – 2025➤ Annual Action Plan – reviewed & published annual basis➤ Local Plan and other planning policy documents➤ Area Committees / Parish meetings➤ Consultation➤ Networking➤ Online feedback➤ Community Impact Assessment➤ Communication handbook / tenant involvement webpage➤ Tenants Satisfaction Surveys➤ Resident Engagement Strategy for Housing Tenants➤ Resident and User Surveys➤ Corporate Communications Strategy/communications protocol➤ Equality, Diversity, and Inclusion Strategy Action Plan.➤ Compliments and Complaints procedure➤ Community Marshals

Core Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Sub -Principle - Defining outcomes

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions• Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer• Delivering defined outcomes on a sustainable basis within the resources that will be available• Identifying and managing risks to the achievement of outcomes• Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	<ul style="list-style-type: none">➤ 'The Plan' - Corporate Plan 2020 – 2025➤ Annual Action Plan – reviewed and published on an annual basis. Plan incorporates Performance Indicators➤ Business Strategy➤ Council's Vision and Core values➤ Executive Leadership Team➤ Risk Management Framework and procedures➤ Corporate Risk Register➤ Statement of Accounts➤ Annual Financial Report➤ Annual Corporate Planning and performance cycle➤ Annual Performance Report➤ Capital programme process➤ Capital Strategy➤ Corporate Communications Strategy/communications protocol➤ Economic Growth Strategy -quarterly update to committee of progress with Action Plan➤ Culture, Heritage and Tourism Strategy➤ Local Plan – annual monitoring report for housing target➤ Sustainability Strategy and Action Plan➤ External Funders e.g., Town Deal Funding – understanding funding requirements and protecting spend

Sub - Principle - Sustainable economic, social, and environmental benefits

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Considering and balancing the combined economic, social, and environmental impact of policies and plans when taking decisions about service provision• Taking a longer-term view with regard to decision making, taking account of risk, and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints• Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social, and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs• Ensuring fair access to services	<ul style="list-style-type: none">➤ 'The Plan' - Corporate Plan 2020 – 2025➤ Annual Action Plan - reviewed and published on an annual basis➤ Local Plan and other planning policy documents➤ Consultation➤ Annual Statement of Accounts➤ External Audit reports➤ Community impact assessments➤ Annual Financial Report Annual Performance Reporting➤ Consultation strategy➤ Capital programme process➤ Equality, Diversity, and Inclusion Strategy Action Plan➤ Risk Management Framework➤ Report template requires that consultation is undertaken with S151 and Monitoring officers before report is considered by Members.➤ Sustainability Strategy and Action Plan➤ Locality Strategy and Action Plan

Core Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Sub -Principle – Determining interventions

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided.Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land, and assets and bearing in mind future impacts	<ul style="list-style-type: none">➤ ‘The Plan’ - Corporate Plan 2020 – 2025➤ Annual Action Plan - reviewed and published on an annual basis➤ Corporate Plan consultation➤ Business cases➤ Community Impact Assessment➤ Equality, Diversity, and Inclusion Strategy Action Plan➤ Tenants and Leaseholder Satisfaction Surveys➤ Resident and User Surveys➤ Online Surveys➤ Partnership Governance Framework and Partnership Register➤ Residents Engagement Strategy➤ 6 monthly neighbourhood report - compliance and performance for the councils housing stock

Sub – Principle - Planning interventions

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities, and targetsEngaging with internal and external stakeholders in determining how services and other courses of action should be planned and deliveredConsidering and monitoring risks facing each partner when working collaboratively, including shared risksEnsuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstancesEstablishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measuredEnsuring capacity exists to generate the information required to review service quality regularlyPreparing budgets in accordance with objectives, strategies and the medium term financial plan	<ul style="list-style-type: none">➤ ‘The Plan’ – Corporate Plan 2020 – 2025➤ Corporate Plan consultation➤ Annual Action Plan – reviewed and published on an annual basis. Plan incorporates Performance Indicators➤ Planning process➤ Partnership Governance Framework➤ Consultation➤ Community Impact Assessment➤ Corporate Communications Strategy/communications protocol➤ Project and Programme Team and project guidance➤ Development of Share Point➤ Tenant and Leaseholder Satisfaction Surveys➤ Resident and User Surveys➤ Online Surveys➤ Service Improvement Plans➤ Employee Surveys➤ Financial regulations

<ul style="list-style-type: none"> Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy 	<ul style="list-style-type: none"> ➤ Medium Term Financial Strategy and Business Strategy ➤ Budget Monitoring / Line by Line review of Revenue Budget ➤ Monitoring of Capital Projects ➤ Development of Resident Engagement Strategy with residents of the Council's estates and homes ➤ External Funders e.g., Town Deal Funding – understanding funding requirements and protecting spend
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Sub – Principle - Optimising achievement of intended outcomes

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> Ensuring the medium term financial strategy integrates and balances service priorities, affordability, and other resource constraints Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is 'the additional benefit to the community Over and above the direct purchasing of goods, services, and outcomes' 	<ul style="list-style-type: none"> ➤ 'The Plan' - Corporate Plan 2020 - 2025 ➤ Annual Action Plan - reviewed and published on an annual basis ➤ Risk Management Framework ➤ Corporate Risk Register ➤ Annual Financial Report ➤ Annual Performance Report ➤ Medium Term Financial Strategy and Business Strategy ➤ Financial Regulations ➤ Monitoring of Capital Projects ➤ Project Management. ➤ External Project Management brought into key projects ➤ Executive Leadership Team / Management Team ➤ Business Continuity Plans ➤ Emergency Planning ➤ Line by Line reviews of Revenue Budget ➤ Service Improvement Plans ➤ Locality Strategy ➤ Culture Heritage and Tourism Strategy

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

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub - Principle - Developing the Council's capacity

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness• Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that outcomes are achieved effectively and efficiently• Recognising the benefits of partnerships and collaborative working where added value can be achieved• Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none">➤ 'The Plan' - Corporate Plan 2020 - 2025➤ Annual Action Plan - reviewed and published on an annual basis➤ Council's vision and Core Values➤ Partnership Governance Framework and Partnership Register➤ Recruitment and Selection Policy and Toolkit➤ Retaining Staff➤ Workforce Development Strategies➤ Organisational Development Plans➤ Learning and Development Strategies➤ Management Development Programme➤ Corporate Induction Course➤ Elected member learning and development programme➤ Digital and IT Strategy➤ Planning Process➤ Annual Financial Report➤ Line by line reviews of Revenue Budgets Annual Performance Reporting➤ Monitoring of Capital Projects➤ Corporate Risk Register➤ Agile Working Policy➤ Apprenticeship schemes➤ Resourcing for projects

Sub – Principle - Developing the capability of the Council’s leadership and other individuals

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority. • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental changes and risks by: <ul style="list-style-type: none"> – ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged – ensuring members and officers have the appropriate skills, knowledge, resources, and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis – ensuring personal, organisational, and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external • Ensuring that there are structures in place to encourage public participation • Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections • Holding staff to account through regular performance reviews which take account of training or development needs • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing 	<ul style="list-style-type: none"> ➤ Council’s vision and core values ➤ The Council’s Constitution ➤ Scheme of delegation ➤ Committee terms of reference ➤ Member’s code of conduct ➤ Member induction / training and development ➤ Officers code of conduct ➤ Protocol on member / officer relations ➤ Corporate Induction ➤ Organisational Development Plan ➤ Personal Development Review Objectives and personal development plans are established for staff at all levels ➤ Agreed Behaviour Framework ➤ Performance Management Framework ➤ Monthly 1 to 1 ➤ Role of Internal Audit ➤ Finance Director member of Executive Leadership Team ➤ Standing Orders and Financial Regulations are periodically reviewed. ➤ Cornerstones of leadership ➤ Designated Safeguarding Officers ➤ Agile Working Policy ➤ Job descriptions / Conditions of Employment ➤ Formal appraisal process for all members of Management Team ➤ Elected Members learning and development strategy ➤ Online feedback ➤ HR Policies and procedures ➤ Occupational Health Service ➤ Employee Assistance Programme ➤ Healthy working initiatives ➤ Promote and participation in Active Norfolk Workplace Challenge ➤ The Council welcomes members of the public to engage in decision making, with meetings being held in public where possible and consultations undertaken on relevant decisions

Core Principle F - Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes, and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub -Principle - Managing Risk

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making• Implementing robust and integrated risk management arrangements and ensuring that they are working effectively• Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none">➤ Risk Management Framework➤ Corporate Risk Register - each risk is allocated to individual responsible owners➤ Corporate risk evaluated on a quarterly basis.➤ Corporate Risk Group➤ Service Improvement Plans - Services to maintain a watching brief on all operational level risks.➤ Audit & Risk Committee, work plan, agenda, reports & minutes➤ Committee report template➤ Annual Risk Management Report➤ Risk Management & Health & Safety training➤ Risk Management is an agenda item on all Corporate and Service meetings➤ Project and Programme Team and project Guidance➤ Health and Safety Subgroup / Safety bulletins➤ Monthly Health and Safety Management Cycle➤ Health and Safety policies➤ Health and Safety Co-Ordinators➤ Business Continuity Planning➤ Annual Action Plan - reviewed & published➤ Audit Reports / Action Plans➤ Warning Marker System➤ Business Plans➤ Lone Working Policy & Stay Safe App

Sub - Principle - Managing Performance

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> Monitoring service delivery effectively including planning, specification, execution, and independent post implementation review Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social, and environmental position and outlook Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible (or for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g., financial statements) 	<ul style="list-style-type: none"> ➤ Annual Financial Report ➤ Committee agendas, reports, and minutes ➤ Customer feedback, Resident and User Surveys ➤ Online feedback ➤ Internal Audit Reports ➤ Performance Management Framework ➤ Quarterly Projects and Measures Performance Report ➤ Annual Performance / Monitoring Report ➤ Annual Action Plan- reviewed and published on an annual basis. Plan incorporates Performance Indicators ➤ Service Improvement Plans includes milestones for delivery and outcome ➤ Self Assessment Assurance Statement ➤ Risk Management Framework ➤ Line by line reviews of Revenue budgets ➤ Financial Regulations ➤ Medium Term Financial Strategy ➤ ¼ reporting to Management Team and 6 monthly reporting to A & R Committee of Corporate Risk Register ➤ 6 monthly reporting Corporate Risks to Audit & Risk Committee ➤ The quarterly Capital and Revenue reports evaluate budgetary positions, seeking approval to significant variances and highlighting major changes to agreed programmes. The final quarter reports then seek to align to financial reporting ➤ Quarterly KPI reporting ➤ Monitoring strategies and progress of Action Plans

Sub - Principle - Robust internal control

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> Aligning the risk management strategy and policies on internal control with achieving objectives Evaluating and monitoring risk management and internal control on a regular basis Ensuring effective counter fraud and anti-corruption arrangements are in place Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> – provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment 	<ul style="list-style-type: none"> ➤ Risk Management Framework and procedures. Framework subject to annual review. ➤ Corporate Risk Register. Risks are subject to quarterly reviews by management. ➤ Audit and Risk Committee ➤ The internal audit programme is subject to an annual review and formal review, with planning over the longer term, balancing the Council's priorities and risks ➤ Internal Audit plans are developed, and the Internal Audit Service is resourced according to these plans ➤ Internal Audit Annual Report ➤ Anti Fraud, Corruption and Bribery Policy, Anti Money Laundering Policy and Whistleblowing Policy. ➤ Annual Governance Statement ➤ Service Improvement ➤ Budget Control ➤ Standing Orders ➤ Scheme of Delegation ➤ Separation of duties ➤ The Council takes part in national initiatives to reduce the potential for fraud and to identify fraud that may have

– that its recommendations are listened to and acted upon	occurred e.g., NFI data matching
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Sub - Principle - Managing data

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring 	<ul style="list-style-type: none"> ➤ General Data Protection Policy ➤ Designated Data Protection Officer ➤ Data Retention Policy / Schedules ➤ Off Site storage protocol ➤ Information champions (regular updates provided on current Data protection and FOI issues) ➤ PSN Compliant to ensure the most sensitive data it holds is held securely ➤ Information sharing is subject to defined information / data sharing protocols. ➤ Freedom of information / EIR regulations ➤ ICT Security Policy ➤ Risk Owners ➤ Project Team – Data Impact Assessments ➤ The Council does not have formal data validation programmes, however data validity and quality is evaluated through internal audit assessment ➤ E-learning system and Data Protection Training ➤ Data Handling and security Breaches ➤ Reports on data breaches to identify trends to MT in case education required to staff

Sub - Principle - Strong public financial management

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	<ul style="list-style-type: none"> ➤ 'The Plan' - Corporate Plan 2020 - 2025 ➤ Annual Action Plan - reviewed and published on an annual basis ➤ The Council's Constitution ➤ Medium Term Financial Strategy ➤ Financial Regulations ➤ Annual Financial Report ➤ Annual Performance Reporting ➤ Management accounts are produced on a monthly basis for service analysis, and to ensure budgets remain on track to those established within business planning. Significant variances are reported to key decision making. ➤ Capital Project Monitoring ➤ Annual Audited Statement of Accounts ➤ Service Improvement Plans ➤ Report template requires that consultation is undertaken with S151 officer before considered by Members ➤ External Audit Reports

Core Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub - Principle - Implementing good practice in transparency

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> • Writing and communicating reports for the public and other stakeholders in a fair, balanced, and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand 	<ul style="list-style-type: none"> ➤ Committee agenda, papers, report template and minutes ➤ All reports are available for the public to review from the Council's website with contact details for key officers prominently placed ➤ Freedom of Information Policy statement and Publication Scheme ➤ Forward planning ➤ Report writing training ➤ Corporate Communications Strategy ➤ Council website ➤ Environmental Information Regulations (EIR)

Sub - Principle - Implementing good practices in reporting

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none"> • Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensuring members and senior management own the results reported • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar 	<ul style="list-style-type: none"> ➤ Annual Audited Statement of Accounts includes a "narrative" report which outlines how the Council has delivered against its objectives and financial targets during the year. The report makes extensive use of charts to aid users to quickly understanding the information. ➤ Annual External Audit Report and Letter ➤ Internal Audit Reports ➤ Annual Governance Statement provides a key oversight of the Council's governance arrangements and how these can be developed ➤ Partnerships / Shared Services are subject to separate legal agreements ➤ The Council's companies each have their own corporate governance framework ➤ Annual Financial Report ➤ Annual Performance Reporting ➤ Partnership Governance Framework and Partnership Register ➤ Committee agendas, reports, and minutes ➤ Service Improvement Plans ➤ Local Code of Governance annual and 6 monthly review. Further on-going work is incorporated into the Annual Governance Framework ➤ 6 monthly Corporate Risk Report to Audit and Risk ➤ Quarterly finance reports to Policy and Resources and Housing and Neighbourhoods Committee ➤ Significant areas of concern would be referred to the relevant committee for Members and officers to collaboratively review how service performance can be improved ➤ Reporting to Housing & Neighbourhoods Committee in regard to Regulator of Social Housing Consumer Standards and Rent Standard compliance

Sub - Principle - Assurance and effective accountability

The behaviours and actions that can demonstrate this:	Source documents
<ul style="list-style-type: none">• Ensuring that recommendations for corrective action made by external audit are acted upon• Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon• Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations• Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement• Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met	<ul style="list-style-type: none">➤ Recommendations made by external & internal auditors are reported to Audit & Risk Committee on a periodic basis, and how these recommendations have been progressed and implemented.➤ The Internal Audit Manager has access to report directly to the Audit & Risk Committee with outcomes from her work and any key concerns she may have➤ Annual Internal Audit Report and Work plan submitted to ELT and Audit & Risk Committee➤ Progress of audit recommendations monitored by Executive Leadership Team➤ Partnership Governance Framework and Partnership Register➤ Each partnership will design its own terms of reference / legal framework / constitution as appropriate. GYBC lead officer to ensure that is fits with the Council’s current corporate priorities / plans➤ Risk Management Framework / Procedures➤ Council meetings➤ Audit and Risk committee➤ Standing Orders➤ Scheme of Delegation➤ Local Code of Governance annual and ½ yearly review➤ Annual Governance Statement (AGS)➤ The AGS includes the “effectiveness of other organisations” which discusses the governance arrangements for the Councils companies. Separately, the nature of the Council’s core partnerships are also reviewed within the AGS and risks / development areas are identified➤ Ombudsman and complaints reported to standards committee

Subject: ANNUAL GOVERNANCE STATEMENT 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

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

That Committee consider and approve the 2021/22 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. The Annual Governance Statement has been informed by the Code of Corporate Governance and the assurance statements that are completed by members of the Management Team. It also identifies any gaps that has been identified during 2021 / 2022 and actions that will be taken to address these areas of concern during 2022 / 2023.
- 2.2 The annual Audit Letter for 2019/20 was not completed at the time of production for the Annual Governance Statement dated June 2021. The Annual Audit Letter has since been provided and from the testing undertaken no issues were identified with the exception of:

Testing of the completeness and accuracy of the consolidation workings and group disclosures identified misstatements, which management have amended in the audited accounts.

Testing of the Council and Group cashflow statement identified material adjustments in relation to the movement in creditors, purchase of property plant and equipment and investment property. Management amended for these differences.

A higher level of misstatements than expected was identified and it was recommended that the Council considers whether it had appropriate quality assurance arrangements and capacity in place in relation to the preparation of the financial statements.

The completeness of disclosures in the Annual Governance Statement 2019/20 was considered to identify any inconsistencies and consider whether it is misleading. There were no areas of concern identified.

- 2.3** The annual Audit Letter for 2020/2021 is yet to be completed at the time of production for the Annual Governance Statement dated July 2022.

3. FINANCIAL IMPLICATIONS - None

4. RISK IMPLICATIONS - 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.
- 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 and more so in 2020/2021 and during 2021/2022
- 5.4** Work has been undertaken to ensure that there are robust governance arrangements, risk management and internal control measures in place within the Council. Policies and procedures have been 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.

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	No
Equality Issues/EQIA assessment	No
Crime & Disorder	No
Every Child Matters	No



Author	Corporate Risk Officer
Date	June 2021
Document Status	Draft

ANNUAL GOVERNANCE STATEMENT 2020/2021

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 2020/2021 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 2021 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 2022/2023. This is due to be reported to the Audit and Risk Committee in July 2022.

The Code of Corporate Governance derives from seven core principles identified in a 2016 publication entitled Delivering Good Governance in Local Government (CIPFA/SOLACE 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 2021/22.

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 currently being reviewed and to be held electronically 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. Reports to committee and clarity of decisions making is to be reviewed and developed during 2022/2023.

Financial Regulations, Standing Orders and Contract Procurement Protocol relating to contracts procedural documents are in place and 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 employed via a secondment agreement with Norfolk County Council with the provision of legal services being via an agreement with NP Law.

All decisions made by Members via the appropriate Committees 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.

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

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 Council's 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. 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 2020/2021 and submitted to ELT and Audit and Risk Committee for approval. Work will continue to raise the profile and ensure that all applicable governance and risk management

arrangements are applied and consistently used across the organisation and the Partnership Register will be reviewed to ensure it correctly reflects the Partnerships that the council are involved in.

The Councils Equality, Diversity and Inclusion Strategy and Action Plan were approved by Policy & resources Committee in November 2021. The strategy and associated action plan was then consulted on with both internal staff and external stakeholders. Consultation concluded on 31 January 2022 and work has commenced on implementing the action plan for 2022/23.

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. The Customer Services Charter is to be reviewed during 2022/23 and updated to the new ways of working.

The Customer Service Charter is to be reviewed and updated during 2022/2023 to reflect the new ways of working.

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

- Surveys
- On Line feedback
- Public Meetings / consultation
- Interviews

Various media methods have been used during the Covid pandemic to engage with and ensure that the community / residents are fully informed.

An on-line version of the Borough News is planned for 2022/2023.

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 has been developed with residents of the Council's estates and homes.

A Corporate Complaints and Compliments policy is available which provides a framework on the council's approach to complaints, compliments and comments received from customers.

The Freedom of Information policy is designed to ensure that there are clear internal arrangements for effective management and release of information and ensure that the Councils complies with the FOI act. Data champions have been appointed and are provided with regular training. As required by the FOIA, the Council has adopted and maintains a Publication Scheme as a guide to the information that it holds which is publicly available.

Work is progressing to ensure compliance with the accessibility regulations and standards for documents currently published and to be published on the website and Intranet and mobile apps to ensure that most people can use it without needing to adapt it, while supporting those that need to adapt things.

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 Council's 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, Directors and the Head of Legal and Governance (Monitoring Officer) met on a weekly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. Management Team meets 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.

Work is progressing with the delivery of Sustainability Strategy and Action Plan and Locality Strategy Action Plan to assist the Council to further reduce its carbon footprint and become a more sustainable organisation. The Strategy details the ambitions of the Council, how we are going to work as a council to reduce our omissions, make ourselves more sustainable as well as looking at opportunities to increase biodiversity across the borough and work with our partners and businesses across the borough to make a difference.

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 Council's Equality, Diversity and Inclusion Strategy was approved by Policy and Resources Committee in November 2021. The strategy and associated action plan was then consulted on with both internal staff and external stakeholders. Consultation concluded on 31 January 2022 and work has commenced with implementing the action plan for 2022/23. Year 1 of the action plan is primarily focused around gathering community and workforce intelligence and putting in place key building blocks regarding performance and governance requirements. A detailed progress review report will be brought to the Policy and Resources Committee for consideration, setting out the emerging findings and evidence, and proposing any necessary changes to the strategy, to ensure that the Council is well placed to prioritise the most significant issues for the authority and the community it serves.

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 S151 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 Office (PMO) co-ordinates and delivers corporate priority projects across the Borough. The team also offers help, support and advice in project management across the Council, encouraging a corporate approach to project management. The Project Management Framework and accompanying templates are available to assist with the delivery of small, medium and capital projects.

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 complies with good practice and aims to ensure that the Council maintains a structured approach to entering into new partnerships. The purpose of the framework is to assist managers to ensure that the purpose, objectives and intended outcomes are clear, achievable and sustainable including an exit plan when the partnership is no longer effective. A Partnership Register is also maintained and 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 2021/22 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

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.

An E-learning system is in place and a process setup for all staff to undertake the e-learning annually.

A Members development group has been set up and a member training and development program developed, including an induction process has been agreed and shared with existing members and prospective candidates and regular updates provided 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.

An Organisational Development Strategy and Action Plan and People Strategy Action Plan is currently being developed and to be presented to Members for approval.

A Management Development Programme has been developed and currently being delivered.

An Agile Working Policy had been developed and implemented. Agile working aims to provide greater flexibility in relation to the time and location employees can work, subject to the requirements of the service and individual job roles. The Council recognises the need to develop modern, transformative working practices, focusing on performance and outcomes, to enable the council to continue to deliver its services to the highest standards, have the ability to retain flexibility to meet business needs, to attracting and retaining staff, be able to compete for the best talent and to be an employer of choice.

All Council services are delivered by trained and experienced people. All posts have a detailed post profile and person specification.

The Digital Strategy was agreed by ELT and Policy and Resources Committee. Implementation is now commencing supported by an action plan with an expected completion date of 2022. Regular updates on the delivery of the action plan are reported to the IT Investment Group (ITIG).

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 performance review process and regular 1:1's.

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 2021 were considered adequate. The Corporate Risk Officer reviews and monitors the risk registers, and in addition undertakes fraud investigation and proactive fraud detection work.

In the council's day-to-day operations, a framework of internal controls (e.g. authorisation, reconciliations, separation of duties, etc.) manages the risks of fraud or error, and this framework is reviewed by internal audit. The council has appropriate arrangements in place to deal with fraud and corruption risks and is committed to maintaining its vigilance to tackle fraud.

The Project Management Framework and accompanying templates include Risk Management templates to assist with the delivery of small, medium and capital projects.

The Partnership Governance Framework complies with good practice and aims to ensure that the Council maintains a structured approach to entering into new partnerships. The purpose of the framework is to assist managers to ensure that the financial arrangements in the partnership do not conflict with the Council's own financial regulations, ensuring risks are identified and managed and support good governance.

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 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 committee and council 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.

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.

The Council takes part in national initiatives to reduce the potential for fraud and to identify fraud that may have occurred e.g. The Council participates in the National Fraud Initiative, an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

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. 17 assurance audits were completed during the year and a total of 11 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.

As required by the FOIA, the Council has adopted and maintains a Publication Scheme as a guide to the information that it holds which is publicly available.

The Council has established two wholly owned companies:

Equinox Enterprises Limited

Equinox Property Holdings (dormant but expected to start trading in 2022/23)

Equinox Enterprise Ltd	<p>Equinox Enterprise Ltd main aim is to develop good quality housing for outright sales. 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.</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 completed 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 1 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, approves the annual audit plan and receives reports throughout the year on audit and anti-fraud activity, as well as the annual report and opinion on the effectiveness of the governance, risk management and control framework.
- The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. Internal audit is an independent and objective service to the management of the Council who complete a risk based programme of reviews throughout the year. The conclusions of the internal audit enable an opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control to be provided and make recommendations for the improvement of the management of risk and control.

In addition, Internal Audit can undertake fraud investigation and proactive fraud detection work which includes reviewing the control environment in areas where fraud or irregularity has occurred. 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 (EY) produce an Annual Audit letter upon the completion of their audit for the financial year. The External Auditors also provide 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. Due to the delays in External Audit resourcing and the impact of Covid the Annual Audit letter for 2020/21 has not yet been produced.

The annual Audit Letter for 2019/20 was not completed at the time of production for the Annual Governance Statement dated June 2021. The Annual Audit Letter has since been provided and from the testing undertaken no issues were identified with the exception of:

Testing of the completeness and accuracy of the consolidation workings and group disclosures identified misstatements, which management have amended in the audited accounts.

Testing of the Council and Group cashflow statement identified material adjustments in relation to the movement in creditors, purchase of property plant and equipment and investment property. Management amended for these differences.

A higher level of misstatements than expected was identified and it was recommended the Council considers whether it had appropriate quality assurance arrangements and capacity in place in relation to the preparation of the financial statements.

The completeness of disclosures in the Annual Governance Statement was considered to identify any inconsistencies and to consider whether it is misleading. There were no areas of concern identified.

The year-end review of the governance arrangements and the control environment included:

- Heads of Services and Executive Leadership Team complete a Self Assessment Assurance statement relating to the effectiveness of the governance arrangements and systems of internal control in their service area.
- 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 2021/2022, 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 2021/2022, considered by the Audit and Risk Committee in July 2022, 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 2022.</p> <p>The position at year end is that of the 68 recommendations raised and agreed by management so far; 17 have been implemented by the agreed date and 2 needs attention are outstanding.</p> <p>A total of two 'needs attention' recommendations are outstanding from 2020/21.</p> <p>A total of five recommendations remain outstanding from the 2019/20 year (one important, four needs attention).</p> <p>A total of 13 recommendations remain outstanding from the 2018/19 year (four important, nine needs attention).</p> <p>Internal Audit has issued 17 assurance reports, 11 have resulted in positive assurance (three</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>substantial assurance and eight reasonable assurance).</p> <p>Issued raised by Internal Audit Manager:</p> <p>The outstanding recommendations from the historical limited assurance reviews continue to be reference in the Annual Governance Statement until they are resolved, are as follows:</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 one important recommendation now remains outstanding. This relates to the update of the Procurement Strategy.</p> <p>The outstanding recommendations from the current and historical limited assurance reviews continue to be reference in the Annual Governance Statement until they are resolved, are as follows:</p> <p>Counter Fraud and Corruption – 2 urgent and 5 important recommendations.</p> <p>Environmental Services – 2 urgent and 8 important recommendations.</p> <p>GYN Invoicing – 6 urgent and 7 important recommendations.</p>	<p>A deadline of 31 December 2022 has been provided.</p> <p>A revised deadline of 30 June 2022 was provided. The Procurement Strategy has been updated and presented. The contract management arrangements are to be reviewed by the Monitoring Officer to strengthen this area of governance.</p> <p>Work to progress during 2022/2023 with the implementation of the internal audit recommendations.</p>
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Annual Audit Letter

The annual Audit Letter for 2020/21 is yet to be completed at the time of production for the Annual Governance Statement dated July 2022.

The annual Audit Letter for 2019/20 was not completed at the time of production for the Annual Governance Statement dated June 2021. The Annual Audit Letter has since been provided and from the testing undertaken no issues were identified with the exception of:

Testing of the completeness and accuracy of the consolidation workings and group disclosures identified misstatements, which management have amended in the audited accounts.

Testing of the Council and Group cashflow statement identified material adjustments in relation to the movement in creditors, purchase of property plant and equipment and investment property. Management amended for these differences.

A higher level of misstatements than expected was identified and it was recommended that the Council considers

whether it had appropriate quality assurance arrangements and capacity in place in relation to the preparation of the financial statements.

The completeness of disclosures in the Annual Governance Statement 2019/20 was considered to identify any inconsistencies and consider whether it is misleading. There were no areas of concern identified.

Self Assessment Assurance Statement

Directors and Heads of Service completed an Assurance Statement relating to their service area. A total of 15 statements were requested to be completed, 12 of which were returned.

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 was 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
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:	The Executive Leadership Team is developing methodologies to gain assurance in the highlighted areas.
2. The major/business critical systems in my area of control have been formally documented, as evidenced by written procedural notes.	Procedural notes are available for major/business critical system procedural notes which will be reviewed and updated as and when required. Further work is being undertaken to ensure that processes and procedures are documented or communicated to staff for agile working arrangements
3. That appropriate authority (Committee or delegated) has been given and applied in relation to any changes to the management / operation of systems, assets, resources and/or staff linked to my area of control.	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. Clarity of decisions making is to be reviewed and developed during 2022/2023.
6. 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.	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.
8 – 12. Service Plans and reporting.	Performance was still measured in line with Corporate Plan and Annual Action Plan. Risks continue to be monitored and escalated to Corporate Risk Register
3. Data quality is of sufficient standard to inform decision-making and performance management arrangements.	Data cleansing is being undertaken during the implementation and upgrading of IT systems. Some IT systems – review and update with Nicola comments – IT systems update to included IT data collection for performance monitoring

Issue	Action proposed / being taken
4. Suitably qualified and experienced employees are employed, and up-to-date job descriptions and person specifications exist for all posts in this service area.	Job descriptions and person specifications are available for all staff. These will be reviewed during service reviews / restructures, when a post becomes vacant or via the regrading applications process. There has been challenges during 2021/2022 recruiting suitable and experienced staff.
9. Services have defined significant partnerships and ensure their governance arrangements support GYBC priorities.	A review of the Partnership Governance Framework and Partnership Register is to be undertaken during 2022/2023
32. - Up to date risk assessments have been completed for my service area. raised by:	Health and Safety Champions have been appointed in service areas to assist managers with implementation and action of health and Safety requirements. A review of the Health and Safety Champions in services areas is to be reviewed to ensure sufficient resource in place and appointed
36. The service is compliant with the requirements of General Data Protection Regulation and the services activities have complied with these requirements.	A methodical review of offsite records has commenced, with the support and oversight of the Data Protection Officer. Work paused due to the Covid however further work to be scheduled and a further review will be conducted in April / May 2022
Audit & Risk Committee Self Assessment Assurance Statement	
The last statement was completed in February 2021 and was due for review in February 2022.	To be included in the Audit and Risk Committee Work Programme for December 2022.

4. Further work / areas to be addressed

The following corporate governance areas were identified in the action plan for 2021/22 and progress to address the areas that have highlighted improvements are:

	Further work / areas to be addressed	Responsible Officer & Due Date	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. COVID 19 has impacted on the delivery of recommendations by the agreed implementation date, although it is hoped that this work will start to be prioritised.	Management Team 31/03/2022	Work continuing to implement audit recommendations by the due date and progress is being made for those recommendations with future dates. Progress is also being made to implement outstanding recommendations. 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. COVID-19 has had an impact on the delivery of some recommendations by the due date. Work in Progress

	Further work / areas to be addressed	Responsible Officer & Due Date	Review update
2	The Officer Register of Gifts and Hospitality process is to be reviewed during 2021/2022 and further work is to be undertaken to raise awareness and ensure compliance.	Corporate & Democratic Services Manager 31/03/2022	Register of Gifts and Hospitality to be held electronically, process currently under review. Work in Progress
3	Procurement and Contract Management - The procurement strategy will be updated and presented for approval. The process for the review and publication of the contracts register is to be finalised. The contract management arrangements are to be reviewed by the Monitoring Officer to strengthen this area of governance.	Monitoring Officer 31/10/2021 Revised date 31/03/2022	The first draft of the strategy has been produced and reported to ELT in December 2021 and will then be reported through the Committee approval process. Further work to strengthen governance and contract management arrangements will be undertaken once the Procurement Strategy has been approved. Procurement Strategy - Completed
4	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 31/07/2021 Revised date: 30/06/2022	With minimal staff working from the offices due to COVID this continues to be difficult to recommence. Agile working arrangements to be introduced in early 2022 at which point this project can recommence. A further review will be conducted in April / May 2022. Limited Progress
5	Corporate Health and Safety Report 2017/18 – a variation to the GY Norse contract is to be raised to ensure that reference to responsibilities of GY Norse under the Health and Safety act 1974 are clearly outlined.	Head of Property and Asset Management 31/10/2021	The new contract incorporating the recent Asset changes has been drafted and approved by GYBC. Waiting confirmation from Norse solicitors for completion. Amendments have been made and agreed by all parties so Internal Audit have confirmed that sufficient progress has been made to sign this action off Action completed
6	The Equality and Diversity Strategy and Action Plan are to be reviewed and presented for approval.	Head of Organisational Development 31/07/2021	A new Equality, Diversity and Inclusion Strategy which was signed off by Policy and Resources Committee in November 2021. The strategy and associated action plan was then consulted on with both internal staff and external stakeholders which concluded on 31 January 2022. Now commencing work on the action plan for 2022/23. Year 1 of the action plan is primarily focused around gathering community and workforce intelligence and putting in place key building blocks regarding performance & governance requirements. End of delivery of Year 1, a detailed progress review report will be brought to the Policy and Resources Committee for consideration, setting out the emerging findings and evidence, and proposing any necessary changes to the strategy, to ensure that

	Further work / areas to be addressed	Responsible Officer & Due Date	Review update
			the Council is well placed to prioritise the most significant issues for the authority and the community it serves. Action completed

The following corporate governance areas have been identified to form an action plan for 2022/23 (from the review of the code of corporate governance and self assessment assurance statements for 2021/22).

	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 has impacted on the delivery of recommendations by the agreed implementation date, although it is hoped that this work will start to be prioritised.	Management Team	31/03/2023
2	The Officer Register of Gifts and Hospitality process is to be reviewed during 2022/2023 and further work is to be undertaken to raise awareness and ensure compliance.	Corporate Services Manager	31/03/2023
3	Procurement and Contract Management - The contract management arrangements are to be reviewed by the Monitoring Officer to strengthen this area of governance.	Monitoring Officer	31/10/2022
4	Corporate Governance Internal Audit Report 2018/19 – The outstanding recommendation for site paper storage arrangements to be reviewed to ensure compliance with GDPR regulations is to be implemented.	Corporate Services Manager	30/06/2022
5	Work to progress with the delivery of the Equality, Diversity and Inclusion Strategy Action Plan.	Head of Organisational Development	31 March 2023
6	Work is progressing to ensure compliance with the accessibility regulations and standards for documents currently published and to be published on the website, Intranet and mobile apps to ensure that most people can use it without needing to adapt it, while supporting those that need to adapt things.	IMT Manager	Ongoing
7	Counter Fraud and Corruption Internal Audit Report 2021/22 – work to progress with the implementation of the 2 urgent and 5 important audit recommendations.	Corporate Risk Officer	31 March 2023
8	Environmental Services Internal Audit Report 2021/22 – work to progress with the implementation of the 2 urgent and 8 important audit recommendations.	Head of Environment and Sustainability	31 March 2023
9	GYN Invoicing Internal Audit Report – work to progress with the implementation of the 6 urgent and 7 important audit recommendations.	Director of Housing Assets	31 March 2022

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 2021/22 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 have been 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.

At the start of the pandemic Officers were re-deployed to assist with the delivery of the service offered by the new Community Team and COVID 19 business grants. Whilst some of this work has continued during the year, the management team along with their services have continued to deliver on a number of the Councils priorities and provide a response to the pandemic.

Leader of the Council
Cllr Carl Smith:

Date

Chief Executive Officer
Sheila Oxtoby:

Date