



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

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

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

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