



**GREAT YARMOUTH**  
BOROUGH COUNCIL

# Audit and Risk Committee

**Date:** Monday, 14 June 2021

**Time:** 10:00

**Venue:** Assembly Room

**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	<b><u>MINUTES</u></b>	4 - 7
4	To confirm the minutes of the meeting held on the 15 February 2021 <b><u>UPDATE ON THE STATUS OF THE 2019/20 ACCOUNTS AUDIT AND TIMETABLE FOR THE 2020/21 ACCOUNTS</u></b>	
	Verbal update to be provided by GYBC Finance Officer and External Audit EY Associate Partner.	
5	<b><u>REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS</u></b>	8 - 18
	Report attached.	
6	<b><u>HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION 2020-21</u></b>	19 - 35
	Report attached.	
7	<b><u>STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS 2021-22</u></b>	36 - 62
	Report attached.	
8	<b><u>PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY</u></b>	63 - 80
	Report attached.	
9	<b><u>ANNUAL REPORT ON RISK MANAGEMENT ARRANGEMENTS 2020-2021</u></b>	81 - 101
	Report attached.	
10	<b><u>CORPORATE RISK REGISTER</u></b>	102 - 111
	Report attached.	
11	<b><u>CODE OF CORPORATE GOVERNANCE</u></b>	112 - 141
	Report attached.	

- 12     ANNUAL GOVERNANCE STATEMENT 2020-21** **142 -**  
**162**
- Report attached.
- 13     WORK PROGRAMME** **163 -**  
**164**
- Report attached.
- 14     ANY OTHER BUSINESS**
- To consider any other business as may be determined by the Chairman of the meeting as being of sufficient urgency to warrant consideration.
- 15     EXCLUSION OF PUBLIC**
- 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."
- 16     CONFIDENTIAL - DRAFT RESPONSE TO EXTERNAL AUDIT**  
**FROM THOSE CHARGED WITH GOVERNANCE**
- Details



# **Audit and Risk Committee**

## **Minutes**

Monday, 15 February 2021 at 11:00

PRESENT:-

Councillor Flaxman-Taylor in the Chair; Councillors Freeman & Wainwright.

Ms K Sly (Finance Director), Ms F Haywood (Internal Audit Manager), Ms L Snow (Finance Manager), Mrs S Wintle (Corporate Services Manager) & Mrs C Webb (Executive Services Officer).

### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor D Hammond.

## **2 DECLARATIONS OF INTEREST**

There were no declarations of interest declared at the meeting.

## **3 MINUTES**

The minutes of the meeting held on 14 December 2020 were confirmed by assent.

Councillor Wainwright referred to comments that had been made at the last meeting in regard to recommendation GY 1909 to pop-up food premises and takeaways. The Finance Director to be picked up as part of the Audit Plan for 2021-22.

## **4 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY**

Member received and considered the report from the Internal Audit Manager.

The Internal Audit Manager reported that the report highlighted progress made between 24 November 2020 to 5 February 2021 in relation to the delivery of the revised Annual Internal Audit Plan for 2020/21 and included executive summaries in respect of the reviews which had been completed during this period.

RESOLVED:-

That the Committee note the outcomes of the audits completed during this period and the progress to date.

## **5 REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS**

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

The Internal Audit Manager reported the latest progress made in relation to management implementation of agreed audit recommendations falling due by 5 February 2021.

RESOLVED:-

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

## **6 REPORT ON AUDIT AND RISK COMMITTEE SELF ASSESSMENT**

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

The Internal Audit Manager reported the results from the 2020 Audit & Risk Committee self-assessment exercise. The Internal Audit Manager recommended that the previous year's self-assessment exercise was reviewed and updated taking into account any progress made against agreed improvement actions.

Councillor Wainwright asked for clarification regarding the response to question 15 on page 38 of the report. The Internal Audit Manager gave the rationale behind the given response.

The Committee agreed that the production of an Annual Report of the Audit & Risk Committee to be presented to Council should be put on hold for a further 12 months due to the impact of Covid19 on staffing resources and further advice would be sought from the Monitoring Officer on how to proceed with this action.

**RESOLVED:-**

That the Committee reviewed the 2020 self-assessment exercise and related improvement actions and through discussions had updated the assessment with progress and outlined new actions, if required.

## **7 FOLLOW UP ON ANNUAL GOVERNANCE STATEMENT 2019-2020**

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

The Finance Director reported the progress which had been made in relation to further work and actions required to address issues which had been identified in the Annual Governance Statement 2019/20.

**RESOLVED:-**

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

## **8 CORPORATE RISK REGISTER**

The Committee received and considered the report from the Corporate Risk

Officer.

The Finance Director asked the Committee to review the Corporate Risk Register to determine whether the register correctly reflected the risks affecting the authority and to approve the revised layout of the Corporate Risk Register.

RESOLVED:-

That the Committee agree that the Corporate Risk Register correctly reflected the risks affecting the authority and approved the revised layout of the Corporate Risk Register.

## **9 WORK PROGRAMME**

The Committee received and considered the Work Programme.

RESOLVED:-

That the Committee note and agree the Work Programme.

## **10 ANY OTHER BUSINESS**

The Finance Director gave an update in regard to the position regarding the fees payable to the external auditors for the Council for work undertaken during 2019/20.

The meeting ended at: 13:00

Subject: REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS

Report to: Audit and Risk Committee, 14 June 2021

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

## **SUBJECT MATTER**

This report seeks to inform members on the latest progress made in relation to management implementation of agreed audit recommendations falling due by 31 March 2021.

### **1. INTRODUCTION/BACKGROUND**

- 1.1 The Audit and Risk Committee receives regular updates on management implementation of agreed audit recommendations. This report forms part of the overall reporting requirements to assist the Council in discharging the responsibilities in relation to its Internal Audit Service.
- 1.2 The Public Sector Internal Audit Standards require that a process is in place to ensure that sufficient action is being taken by management to implement recommendations.

### **2. MAIN BODY**

- 2.1 The current position and issues in relation to the implementation of internal audit recommendation is shown in the report attached.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 None.

### **4. RISK IMPLICATIONS**

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

### **6.0 RECOMMENDATIONS**

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



## BACKGROUND PAPERS

### *Appendix – Follow Up Report on Internal Audit Recommendations*

<b>Area for consideration</b>	<b>Comment</b>
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**

**Follow Up Report on Internal Audit Recommendations**

**Period Covered: 5 February 2021 to 3 June 2021**

**Responsible Officer: Faye Haywood – Internal Audit Manager**

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## 1. INTRODUCTION

- 1.1 This report is being 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 Auditor Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:
- The status of agreed actions.

## 2. STATUS OF AGREED ACTIONS

- 2.1 As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Contractor on a regular basis and reported through to this Committee. Verification work is also undertaken for those recommendations that are reported as closed.
- 2.2 **Appendix 1** to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken to enable the Committee to easily identify outstanding recommendations from previous financial years. The table also distinguishes between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round.
- 2.3 In 2017/18 internal audit raised 119 recommendations, 117 of which have now been implemented. Two important recommendations remain outstanding, one from the Corporate Health and Safety report and one from the Accounts Receivable.

The management response in relation to the outstanding important recommendation can be seen at **Appendix 2** of the report.

Number raised	119	
Complete	117	98%
Outstanding	2	2%

- 2.4 In 2018/19 internal audit raised 113 recommendations. In total, 98 have been implemented. Of those remaining, one needs attention recommendation was rejected by management, and 14 are outstanding (4 important, 10 needs attention).

The June 2019 year end follow up report provided details of the important recommendation rejected by Management.

The management response in relation to the outstanding important recommendations can be seen at **Appendix 3** of the report.

Number raised	113	
Complete	98	87%
Outstanding	14	12%
Rejected	1	1%

- 2.5 In 2019/20 a total of 100 recommendations have been agreed; of these, 83 have now been implemented. A total of 17 recommendations are outstanding (6 important and 11 needs attention).

Number raised	100	
Complete	83	83%
Outstanding	17	17%

- 2.6 In 2020/21 a total of 19 recommendations have been agreed. 17 have been completed and two needs attention are outstanding.

Number raised	19	
Complete	17	89%
Outstanding	2	11%

- 2.7 All recommendations are assigned at senior management level, with the position in implementing urgent audit recommendations being discussed at Executive Leadership Team meetings. We do however recommend that senior management monitor the position of implementing important recommendations as the number of outstanding has increased and a number of historical recommendations remain outstanding. In some cases, updates have not been provided to Internal Audit when requested. The management response in relation to the outstanding important recommendations can be seen at **Appendix 4** of the report.

## APPENDIX 1 – SUMMARY STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed between 5 February 2021 and 31 March 2021			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													
<b>2017/18 Audits</b>															
GY1801	Corporate Health & Safety	Limited					1					1			
GY1811	Accounts Receivable	Reasonable					1					1			
<b>2018/19 Audits</b>															
GY1901	Corporate Governance	Limited					1					1			
GY1908	Capital Programme	Reasonable					1					1			
GY1909	Environmental Services	Reasonable					1	5				6			
GY1914	Procurement	Limited		2			1	3				4			
GY1916	Property & Asset Mgt	Reasonable			2			2				2			
<b>2019/20 Audits</b>															
GY2001	GYB Services	Reasonable					1	2				3			
GY2005	Council Tax and NNDR	Reasonable						1				1			
GY2007	S106 Agreements	Reasonable		1						1		1			
GY2008	Housing Strategy and Affordable Housing	Reasonable						1				1			
GY2010	Corporate Governance	Reasonable		1	1							0			
GY2014	Key Controls & Assurance	Reasonable		1	2							0			
GY2016	Corporate Enforcement	Reasonable		1			2			2	2	6			
GY2018	Data Centre and Back Up	Reasonable		1								0			
GY2019	Cyber Crime	Reasonable						2				2			
GY2020	Starters, Movers, Leavers	Reasonable									3	3			
<b>2020/21 Audits</b>															
GY2102	Corporate Governance	Reasonable		1	1						1	1			
GY2105	Housing Rents	Reasonable		1	5							0			
GY2104	Accounts Payable	Substantial			1							0			
GY2106	HR & Payroll	Reasonable		4	4						1	1			
<b>Total</b>			<b>0</b>	<b>13</b>	<b>16</b>	<b>0</b>	<b>9</b>	<b>16</b>	<b>0</b>	<b>3</b>	<b>7</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2017/18

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
GY1801 Corporate Health and Safety	Recommendation 6: A variation to the GY Norse contract is raised in line with the GYBS and SLT H&S contract clauses. This is agreed by the board. Sufficient H&S clauses in the contract should clearly outline the H&S responsibilities of the GY Norse and mitigate the risk that any H&S liabilities created by GY Norse are passed onto the Council.	2	Head of Property and Asset Management	31/10/2017	31/04/2021	Outstanding	We are now in the process of varying the contract to return elements of the Asset Management Service to GYBC which will require a complete review of the Joint Venture Agreement these changes will be incorporated with the new agreement due to be in place for April 2021.
GY1811 Accounts Receivable	Recommendation 2: Service Level Agreements (SLA) to be documented/formalised for all service areas, in line with the collection and recovery processes documented in the Sundry Income and Debt Policy. These are to be signed by the Head of Customer Services and the respective head of service. These should include responsibilities of both parties and key timescales required from the debtors' team and service area.	2	Head of Customer Services	31/03/2019	15/06/2021	Outstanding	Due to more demand on the team, this has been delayed. I am moving the deadline for this reason to 15 June 2021.

### APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2018/19

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	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	31/12/2021	Outstanding	Please could this recommendation be updated with: The National COVID vaccination program is still in progress therefore it has not been possible to recommence this work, please could a further extension be requested until 31st Dec 2021.
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	30/09/2021	Outstanding	Due to other priorities in the service this work has not yet been completed. This is due to be updated in time for the year end.
GY1909 Environmental Services	Recommendation 1: 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	30/04/2020	Update required	This is programmed for when a new resource is available. Further update required.
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	2	Finance Director	30/09/2019	30/09/21	Outstanding	The CSO's have been updated and approved, the procurement strategy is under review and a revised deadline agreed.

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
	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.						



#### APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
GY2001 GYB Services	A programme of KPI spot checks is completed to sample check KPIs on a rolling basis. This is to verify that there is supporting evidence in place to confirm the outturn figures presented. Furthermore, a definition for each KPI be recorded and centrally kept by the Council against which KPIs can be checked.	2	Head of Environmental Services	31/12/2019	31/03/2020	Update needed	<p>'A review of KPIs is being completed on Ops meeting planned for 4th March. This will include what evidence will be available for each indicator.'</p> <p>We will then start to monitor these Qtr 1 20/21, this has been delayed due to the street cleansing review work that has had to be completed.'</p>
GY2007 S106 Agreements	Recommendation 2: Policy for all key areas covered by S106 agreements be created through the Part 2 Local Plan and communicated to stakeholders (through publication on the website, through the Developers' Forum and other routes).	2	Strategic Planning Manager	31/01/2021	30/09/2021		We now expect to have the policy adopted by end of September 2021. The slippage was due to covid-19 impacting upon consultation procedures last year and impacting upon the availability of the Planning Inspector to examine the plan.'
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. Rationale & risk: The Council may not be compliant with GDPR and may incur financial penalties of non GDPR compliance.	2	Head of Environmental Services	30/04/2021		Update needed	
GY2016 Corporate Enforcement	Recommendation 3: Performance standards be agreed between the Council and NPLaw to ensure that appropriate level of service is received from NPLaw and to help ensure that prosecutions are undertaken timely.	2	Head of Environmental Services	31/12/2020		Update needed	
GY2016 Corporate Enforcement	Recommendation 4: Regular meetings to be held with service team leaders to discuss problematic businesses/individuals so that enforcement action is undertaken as appropriate.	2	Head of Environmental Services	30/09/2020		Update needed	

Report	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
GY2016 Corporate Enforcement	Recommendation 5: An action plan be developed on how the Anti-Social Behaviour strategy is to be delivered. Once approved the Anti-Social Behaviour action plan should be presented to the Council's Housing and Neighbourhood Committee.	2	Community Protection Manager	31/12/2020	31/06/2021	Outstanding	Work has commenced on the development of the plan although this continues to be hampered by our wider work around the pandemic. Meetings have been held with stakeholders with a view to standardising the GYBC response to ASB matters and how we can maximise multi-agency working. Regarding a revised implementation date, it's difficult to be specific as we are not sure as to the level of assistance we will be required to provide once lockdown ends. The ASB Co-ordinator is on the redeployment list (18.5 hours/week) so completion of the plan may well be some way off.

Subject: HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION 2020/21

Report to: Audit and Risk Committee,

Report by: Emma Hodds, Head of Internal Audit for Gt Yarmouth BC

## **SUBJECT MATTER**

This report concludes on the internal audit activity undertaken during 2020/21 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**

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3.1 The internal audit service was delivered in line with the agreed budget for 2020/21.

#### 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 2020/21 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.

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 2020/21.
- Note that a reasonable opinion has been given in relation to the framework of governance, risk management and controls for the year ended 31 March 2021.
- 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 2020/21.
- Note the conclusion of the review of the effectiveness of internal audit.

#### **BACKGROUND PAPERS**

*Appendix – Annual Report and Opinion 2020/21.*

<b>Area for consideration</b>	<b>Comment</b>
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 2020/21

Responsible Officer: Emma Hodds – 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 2020/21, 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 particularly as the Council was impacted by the Covid-19 Pandemic and the Internal Audit Plan reduced in 2020/21 in response. 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 original Internal Audit plan was approved at the meeting held 2 March 2020. As the Covid-19 pandemic forced the UK into lockdown at the end of March 2020, the internal audit team revised the Internal Audit plan with senior management to ensure that coverage more accurately reflected the key risks facing the Council at that time and that Officers were able to focus on the immediate response to the Covid-19 pandemic.

The revised 2020/21 Internal Audit Plan was approved by the Audit and Risk Committee on 8 September 2020. A reduction of 111 days was agreed, and the plan split into five key themes to provide adequate coverage over the governance, risk management and control framework informing this opinion.

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. It is important to note that the decrease in days is in response to unprecedented circumstances and represents the absolute minimum assurance required to form an opinion on the governance, risk management and control framework for 2020/21. We aim to revert to our usual levels of audit coverage in the 2021/22 Internal Audit Plan.

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**.

Of the six assurance audits completed within the year, all six resulted in a positive assurance grading. Two reports; Accounts Payable and Remote Access received a substantial assurance grading.

Three position statements were carried out in 2020/21 and used to support the conclusions reached for this opinion. Areas reviewed were as follows, Procurement and Contract Management, Coronavirus Response and Recovery and Housing Needs.

In none of the areas reviewed as part of the revised 2020/21 Internal Audit Plan did the findings indicate that the Covid-19 pandemic had severely impacted the Council's ability to deliver core services to its residents with the exception of Environmental Services where resources were diverted to handle the initial outbreak. This resulted in delays to providing food safety inspections, ship sanitation and delivery of garden and bulky waste services. Work has now resumed and is being prioritised on a risk basis with public health and imminent danger work still being progressed.

This opinion does not provide assurance over the issuing of business grants by the Council during the Covid-19 pandemic. A post award audit work has been planned for 2020/21.

We recommend that the Council continues to refer to historical outstanding Internal Audit Recommendations from Limited Assurance reports in its Annual Governance Statement. One important priority recommendation remains outstanding from the 2017/18 Corporate Health and Safety review, one important recommendation from the 2018/19 Governance review and one important recommendation from the 2018/19 Procurement review. Details of these outstanding recommendations can be found in Section 3.5 of this report.

As all areas audited in the revised 2020/21 Internal Audit Plan have resulted in a positive assurance grading, and two reports given substantial assurance, we feel a reasonable overall

opinion of the governance risk and control framework at Great Yarmouth Borough Council is the most appropriate.

The opinion has been discussed with 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 was divided into five broad themes for the revised 2020/21 plan in response to the risks facing the Council from the Covid-19 pandemic;

Theme	Audit
Theme 1: Assurance Mapping	A questionnaire style enquiry was carried out to gather information and determine any changes to the control environment and document any available assurance showing that controls are working effectively. One area of focus was to evaluate the strength of controls for the prevention of fraud and support staff with remote working.
Theme 2: Key Controls	In order to provide an opinion over the key financial and governance controls of the Council, the annual key controls testing regime was enhanced, and the assurance mapping exercise mentioned above used to develop testing for new controls. This review provides independent assurance to Senior Management and the Committee that governance and financial risks have been appropriately mitigated during the Pandemic period.
Theme 3: Response and Recovery	Assurance in this area evaluates whether the Council has where possible reacted sufficiently to the pandemic and considered its response to recovery. The Response and Recovery review was carried out across the Consortium comparing the approaches taken by each of our members in areas such as: Supporting the Local Economy, staff reintegration, financial modelling and business plan revision and preparedness for ongoing disruptions.
Theme 4: Partnerships	This position statement evaluates the impact of the Pandemic on the Council's ability to deliver key projects and services through third party contracts during and in the recovery phase of the pandemic.
Theme 5: Essential Assurance	Work in this theme has provided assurances in areas from the originally agreed 2020/21 Internal Audit Plan that are integral to forming an opinion on the governance, risk and control framework for 2020/21. This included audits where



	limited assurance or no assurance has been given in previous years and where control weaknesses remain or have increased due to the Coronavirus Pandemic.
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### 3.3 Summary of the internal audit work

A total of 10 audits were completed during 2020/21. Internal Audit issued six assurance reports, with all six of these assurances being positive. (two reports were given substantial assurance and four were given reasonable assurance). An Assurance Mapping exercise was undertaken this year to confirm through senior management surveys that all key risk areas relating to the Covid-19 response had been considered within the revised Internal Audit Plan. Three position statements were also provided for; Coronavirus Response and Recovery, Procurement and Contract Management and Housing Needs.

No additional changes to the internal audit plan have been made after the revised plan was approved in September 2020. One report is in draft at the time of writing this report for Key Controls and Assurance. We have however provided the Executive Summary of this report to the Committee in the final 2020/21 progress report and an overall grading has been indicated.

The Executive Summaries of all 2020/21 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 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 19 recommendations raised and agreed by management so far in 2020/21; 17 have been implemented by the agreed date and two needs attention are outstanding. A further 10 recommendations from the key controls review have been raised but not included in this total as they are from reports yet to be finalised.

A total of 17% of recommendations (six important, 11 needs attention) are outstanding from the 2019/20 year where 100 were raised in total.

A total 12% of recommendations remain outstanding from the 2018/19 year; (4 important, 10 needs attention). 113 were raised in total.

Two important recommendations outstanding from the 2017/18 financial year. One relating to varying to the GY Norse contract to reflect H&S responsibilities and the other relating to amending SLA agreements for collection and recovery processes.

### 3.5 Issues for inclusion in the Annual Governance Statement

Looking back over the issues raised in the Internal Audit opinion for 2019/20, we are pleased to report that all 11 recommendations raised as part of the limited assurance on the Preservation Trust have now been implemented.

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

An important priority recommendation remains outstanding from the Corporate Health and Safety review relating to the GY Norse Contract. Management are required to initiate a variation to the contract reflecting Health & Safety contract responsibilities. NP Law were

instructed to add this clause to the contract by October 2017. We feel that this issue should continue to be included in the Annual Governance Statement until such time that it is resolved.

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. This recommendation remains overdue despite several extensions of time. The latest management response indicates that Covid-19 has impacted on the team's ability to carry out this work.

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 September 2021.

#### 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 2020/21. 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.

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

###### 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 2022.

The external assessment was undertaken by the Institute of Internal Auditors 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:

- 5.2.2 Performance has been significantly impacted in 2020/21 by the Covid-19 pandemic. The Internal Audit contractor took the decision to Furlough most of its workforce during the first lockdown as each Council prioritised front-line response over Internal Audit work. Following revision and approval of the revised Internal Audit plan in September 2020, the Internal Audit team have experienced further delays to delivery from audit staff sickness and in obtaining information from Officers as they understandably prioritised urgent response and recovery efforts.

Performance has not been in line within the boundaries of our agreed targets in some areas during 2020/21 such as the issuing of draft reports 10 day after quarter end. Discussions and a lessons learnt exercise will be undertaken in Q1 of 2021/22 to determine the root cause of delays and ensure that these issues are resolved for the year ahead.

Area / Indicator	Frequency	Target	Actual	Comments
<u>Audit Committee / Senior Management</u>				
1. Audit Committee Satisfaction – measured annually	Annual	Adequate	TBC	TBC
2. Chief Finance Officer Satisfaction – measured quarterly	Annual	Good	Good	Achieved
<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%	67%	Not achieved. Delays to quarter four work was experienced. Overdue reports were completed on average 18 days over the 10 day target.
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	Achieved
9. Percentage of recommendations accepted by management		90%	100%	Achieved
<u>Innovations and Capabilities</u>				
10. Percentage of qualified (including experienced) staff working on the contract each quarter		60%	100%	Achieved
11. Number of training hours per member of staff completed per quarter		1 day	1 day	Achieved

### **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.

## APPENDIX1 – AUDIT WORK UNDERTAKEN DURING 2020/21

Audit Area	Assurance	No of Recs	Implemented	P1 OS	P2 OS	P3 OS	Not yet due
Key Controls							
DRAFT Key Controls and Assurance	Reasonable	10	0	0	0	0	10
Accounts Payable	Substantial	1	1	0	0	0	0
Corporate Governance	Reasonable	3	2	0	0	1	0
Housing Rents	Reasonable	6	6	0	0	0	0
HR and Payroll	Reasonable	9	8	0	0	1	0
Partnerships							
Procurement and Contract Management	Position Statement						
Response and Recovery							
Coronavirus Response and Recovery	Position Statement						
Essential Assurance							
Housing Needs	Position Statement						
Remote Access	Substantial	0	0	0	0	0	0
Total		29	17	0	0	2	10

<b>Assurance level definitions</b>		<b>Number</b>
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.	2
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.	4
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.	0
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

Urgent Priority 1	Fundamental control issue on which action to implement should be taken within 1 month.
Important Priority 2	Control issue on which action to implement should be taken within 3 months.
Needs Attention Priority 3	Control issue on which action to implement should be taken within 6 months.

## APPENDIX 2 ASSURANCE CHART

	Current Contract				
	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Annual Opinion / Corporate Audits</b>					
Corporate Governance		Reasonable	Limited	Reasonable	Reasonable
Risk Management	Reasonable		Reasonable		
Key Controls and Assurance	Reasonable	Reasonable	Substantial	Reasonable	Reasonable
Corporate Health and Safety		Limited	Reasonable		
Coronavirus Response and Recovery					Position Statement
Equinox Enterprises		Limited		Reasonable	
<b>Fundamental Financial Systems</b>					
Accounts Receivable		Reasonable		Reasonable	
Income / Remittances		Substantial		Substantial	
Income / Markets		Reasonable			
Accountancy Services		Substantial		Substantial	
Housing Benefits and Council Tax Support		Reasonable		Substantial	
Council Tax / NNDR		Reasonable		Reasonable	
Accounts Payable	Reasonable		Substantial		Substantial
Payroll / HR	Substantial		Substantial		Reasonable
Housing Rents	Reasonable		Reasonable		Reasonable
<b>Contract Audit</b>					
General Fund Capital Programme Contracts	Reasonable		Reasonable		
GY Norse				Reasonable	
GYB Services				Reasonable	
Procurement			Limited		Position Statement
Leisure Trust	Reasonable				
Contract Management					
<b>Service Area Audits</b>					
Business Strategy and Performance Management	Reasonable				
Performance Management	Reasonable				
Member Services					
NPLaw	Reasonable				
Property Services	Limited		Reasonable		
Neighbourhood Management / Community Development		Reasonable			
Disabled Facility Grants and Discretionary Loans			Reasonable		
Gt Yarmouth Market	Reasonable			Reasonable	
Elections and Electoral Registration					
Bereavement Services	Substantial				
Waste Management					
Environmental Health Services	Reasonable		Reasonable		
Licensing	Reasonable				



	Current Contract				
	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Annual Opinion / Corporate Audits</b>					
Car Parking			Reasonable		
Development Control		Reasonable			
Building Control		Reasonable			
Inventory	Reasonable				
Tourism, Marketing, Communication & Media (BID 1617)	Limited			Limited	
Leasehold Management		Limited	Reasonable		
Right to Buy		Reasonable			
Homelessness and Housing Options		Reasonable			Position Statement
Private Sector Housing				Reasonable	
Section 106 Arrangements			Position Statement	Reasonable	
Services for the Elderly and Sheltered Housing					
Control Centre	Limited		Reasonable		
Housing Adaptations		Limited		Reasonable	
Arts Strategy	n/a				
Outdoor Leisure	Reasonable		Limited		
Venetian Waterways			Position Statement		
Corporate Enforcement				Reasonable	
<b>IT Audits</b>					
Revenues and Benefits Application					
HR and Payroll Application					
Remote Access					Substantial
Data Centre, Back Up and Disaster Recovery				Reasonable	
Software Licensing					
Data Protection and Freedom of Information					
Starters, Movers & Leavers				Reasonable	
Change Control & Patch Management					
Network Security & Infrastructure		Reasonable	Reasonable		
Content Management	Reasonable				
ICT Contract Review	Limited		Reasonable		
Connectivity	Reasonable				
IT Project and Programme Management					
Cyber Crime				Reasonable	
Integra and Cash Application		Reasonable			

## **APPENDIX 3 – 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 2020/21 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 2021. 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.



Subject: Strategic and Annual Internal Audit Plans 2021/22

Report to: Audit and Risk Committee 14 June 2021

Report by: Emma Hodds, Head of Internal Audit for Gt Yarmouth Borough Council

## **SUBJECT MATTER/RECOMMENDATIONS**

This report provides an overview of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2021/22 to 2024/25 and the Annual Internal Audit Plan for 2021/22.

The Annual Internal Audit Plan will then serve as the work programme for the Council's Internal Audit Services Contractor; TIAA Ltd.

It will also provide the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of Great Yarmouth Borough Council's framework of governance, risk management and control.

## **1. INTRODUCTION / BACKGROUND**

- 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 are set out in the Public Sector Internal Audit Standards (PSIAS) which came into effect in April 2013.

## **2. INTERNAL AUDIT PLAN OF WORK**

- 2.1 The attached report contains;
  - The Internal Audit Charter, outlining Internal Audit Purpose, Authority, and Responsibilities.
  - the Internal Audit Strategy, which is a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities;
  - the Strategic Internal Audit Plan, which details the plan of work for the next three financial years; and
  - the Annual Internal Audit Plan, which details the timing and the purpose of each audit agreed for inclusion in 2021/22.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 The Internal Audit Service is provided by way of a Partnership Agreement with South Norfolk Council, whereby South Norfolk Council provide the role of the Head of Internal Audit and Contract Manager to Great Yarmouth Borough Council, and the service provision i.e. delivery of the audits, is provided through a contract with TIAA Ltd.

#### 4. **RISK IMPLICATIONS**

- 4.1 The Risk Based Internal Audit approach will ensure that the Council's key risks are accurately reviewed and updated and thus the Internal Audit Service is adding value and auditing the key risk areas.

#### 5. **CONCLUSIONS**

- 5.1 The attached report provides the Council with Internal Audit Plans that will ensure key business risks will be addressed by Internal Audit, thus ensuring that appropriate controls are in place to mitigate such risks and also ensure that the appropriate and proportionate level of action is taken.

#### 6. **RECOMMENDATIONS**

- 6.1 That Audit and Risk Committee notes and approves:
- a) the Internal Audit Charter;
  - b) the Internal Audit Strategy;
  - b) the Strategic Internal Audit Plans 2021/22 to 2024/25; and
  - c) the Annual Internal Audit Plan 2021/22.

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	Through EMT
Section 151 Officer Consultation:	Through meetings
Existing Council Policies:	N/a
Financial Implications:	Within the report
Legal Implications (including human rights):	N/a
Risk Implications:	Within the report
Equality Issues/EQIA assessment:	n/a
Crime & Disorder:	n/a
Every Child Matters:	n/a

# Eastern Internal Audit Services



## GT YARMOUTH BOROUGH COUNCIL

### Strategic and Annual Internal Audit Plans 2021/22

Responsible Officer: Head of Internal Audit

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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 The Public Sector Internal Audit Standards (PSIAS) mandate a periodic preparation of a risk-based plan, which must incorporate or be linked to a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities, this is set out in the Internal Audit Strategy.
- 1.3 Risk is defined as 'the possibility of an event occurring that will have an impact on the achievement of objectives'. Risk can be a positive and negative aspect, so as well as managing things that could have an adverse impact (downside risk) it is also important to look at potential benefits (upside risk).
- 1.4 The development of a risk-based plan takes into account the organisation's risk management framework. The process identifies the assurance (and consulting) assignments for a specific period, by identifying and prioritising all those areas on which objective assurance is required. This is then also applied when carrying out individual risk-based assignments to provide assurance on part of the risk management framework, including the mitigation of individual or groups of risks.
- 1.5 The 2020/21 Internal Audit plan was significantly revised in-year to respond to the Covid-19 Pandemic. The revised plan aimed to provide assurance over key themes that were identified as having an impact on the Council at that time and as a result of this exercise, it was identified that 14 of the originally agreed internal audit areas would be replaced and deferred.
- 1.6 A total of eight areas have been carried over into the 2021/22 plan as they are considered to pose a risk to the achievement of the Council's objectives now that recovery from the Covid-19 pandemic is underway. The remainder will continue to be assessed each year during internal audit planning.
- 1.7 The following factors have been considered when developing the internal audit plan:
  - The risk profile and maturity of the Council;
  - Previous assurance gradings given in each area;
  - Any declarations to avoid conflicts of interest;
  - The requirements of the use of specialists e.g. IT auditors;
  - Striking the right balance over the range of reviews needing to be delivered, for example systems and risk-based reviews, specific key controls testing, value for money and added value reviews;
  - Allowing contingency time to undertake ad-hoc reviews or fraud investigations as necessary;
  - The time required to carry out the audit planning process effectively as well as regular reporting to and attendance at Audit and Risk Committee, the development of the annual report and opinion and the Quality Assurance and Improvement Programme.
- 1.8 In accordance with best practice the Audit and Risk Committee should ‘*review and assess the annual internal audit work plan*’.

## 2. AUDIT CHARTER

- 2.1 There is an obligation under the PSIAS for the Charter to be periodically reviewed and presented. This Charter is therefore reviewed annually by the Head of Internal Audit to confirm its ongoing validity and completeness, and presented to the Section 151 Officer, Senior Management and the Audit and Risk Committee every two years, or as required for review. The Charter was approved in 2019 and is therefore provided as part of this report for approval at **Appendix 1**. Please note that no significant changes have been made to the Charter since its approval in 2019.
- 2.2 As part of the review of the Audit Charter the Code of Ethics are also reviewed by the Head of Internal Audit, and it is ensured that the Internal Audit Services contractor staff, as well as the Head of Internal Audit and Internal Audit Manager adhere to these, specifically with regard to; integrity, objectivity, confidentiality and competency. Formal sign off to acceptance of the Code of Ethics is retained by Eastern Internal Audit Services.

## 3. AUDIT STRATEGY

- 3.1 The purpose of the Internal Audit Strategy **Appendix 2** is to confirm:
- How internal audit services will be delivered;
  - How internal audit services will be developed in accordance with the internal audit charter;
  - How internal audit services links to organisational objectives and priorities; and
  - How the internal audit resource requirements have been assessed.
- 3.2 The Internal Audit Strategy has been amended this year to reference the required procurement of the Internal Audit services contract in consultation with all Councils across the Consortium.

## 4. STRATEGIC INTERNAL AUDIT PLAN

- 4.1 The overarching objective of the Strategic Internal Audit Plan **Appendix 3** is to provide a comprehensive programme of review work over the next three years, with each year providing sufficient audit coverage to give annual opinions, which can be used to inform the organisation's Annual Governance Statement.
- 4.2 The coverage over the forthcoming three years has been discussed with Executive Leadership Team to ensure audits are undertaken at the right time, at a time where value can be added, as well as ensuring sufficient coverage for an Annual Opinion on the framework of governance, risk management and control.

## 5. ANNUAL INTERNAL AUDIT PLAN

- 5.1 Having developed the Strategic Internal Audit Plan, the Annual Internal Audit Plan is an extract of this for the forthcoming financial year (**see Appendix 4**). The plan includes the areas being reviewed by Internal Audit, the number of days for each review, the quarter during which the audit will take place and a brief summary and purpose of the review.
- 5.2 The Annual Internal Audit Plan for 2020/21 totals 228 days, encompassing 20 internal audit reviews, three of which cover IT processes.



- 5.3 For 2021/22, the Internal Audit team intend to provide cross cutting reviews of high-risk areas to compare controls against best practice and the approach taken at other Council's in the consortium for added value. These areas are as follows:
- Business Strategy and Performance Management – In response to the Covid-19 Pandemic, Strategy and Performance of the Council will need to adapt to local needs, increasing pressures on resources and potentially continued outbreaks of the virus. This consortium wide review will evaluate how the Council plans to adapt and measure success.
  - Counter Fraud and Corruption – The new Fighting Fraud and Corruption Locally strategy has been launched highlighting the increasing risks faced by Local Authorities in tackling and staying ahead of successful fraud attempts the cost of which is estimated to be around 7.8bn - *Annual Fraud Indicator – Crowe Clark Whitehill 2017*.
  - Annual Governance Statement – A consortium wide review will be undertaken to evaluate each Councils interpretation of the Delivering Good Governance in Local Government Framework in relation to the preparation of an Annual Governance Statement sharing best practice where identified.
- 5.4 Audit verification work concerning audit recommendations implemented to improve the Council's internal control environment will also be undertaken throughout the financial year.
- 5.5 Depending on any changes to the control environment over the year, the annual internal audit plan may need to be revised to respond to emerging risks. The Internal Audit Manager will regularly review the Corporate Risk Register and report through to the Committee any necessary changes to the plan of work.

## APPENDIX 1 – INTERNAL AUDIT CHARTER



### EASTERN INTERNAL AUDIT SERVICES

#### INTERNAL AUDIT CHARTER FOR 2021/22

#### 1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013, these provide a consolidated approach across the public sector encouraging continuity, sound corporate governance and transparency.
- 1.2 The Standards require all internal audit services to implement, monitor and review an internal audit charter; this formally defines the internal audit's purpose, authority and responsibility, and is a mandatory document.
- 1.3 The charter also displays formal commitment to and recognises the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the Standards, i.e. the International Professional Practices Framework (IPPF).
- 1.4 This Internal Audit Charter is applicable to each of the following internal audit consortium members covered by Eastern Internal Audit Services (EIAS).
- Breckland District Council;
  - Broadland District Council;
  - Great Yarmouth Borough Council;
  - North Norfolk District Council
  - South Holland District Council;
  - South Norfolk Council; and
  - Broads Authority.
- 1.5 The term Local Authority will be used to describe the above consortium members throughout the Charter.

#### 1.6 Mission

Standards require the Internal Audit Function to articulate its overall purpose and summarise the way it will provide value to the organisation. The mission statement for EIAS is as follows:

*“Protecting each of our consortium members ability to enhance value through the provision of independent risk-based assurance and advice”*

#### 1.7 This charter:

- Establishes the position and reporting lines of internal audit;
- Outlines provision for unrestricted access to information, officers, management and members as appropriate;
- Sets the tone for internal audit activities;

- Defines the nature and scope of internal audit services, in particular assurance and consultancy services; and
- Sets out the nature and scope of assurance provided to other parties.

- 1.8 The charter is to be periodically reviewed and presented to Senior Management and the Board for approval. The charter will be reviewed annually by the Chief Audit Executive and Internal Audit Manager to confirm its ongoing completeness and validity and presented to Senior Management and the Board every 2 years for review.

## **2 Purpose, Authority and Responsibility**

### **2.1 Purpose**

- 2.1.1 Internal auditing is best summarised through its definition with the Standards, *“an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”*.

- 2.1.2 Internal audit will provide reasonable assurance to each member of the Internal Audit Consortium, that necessary arrangements are in place and operating effectively, and to identify risk exposures and areas where improvements can be made.

### **2.2 Authority**

- 2.2.1 The Accounts and Audit Regulations (England) 2015, states that the relevant body 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”*. The statutory requirement for internal audit is recognised in the Constitution of each Local Authority and the internal auditing standards in this regard are the Public Sector Internal Audit Standards.

### **2.3 Responsibility**

- 2.3.1 The responsibility for maintaining an adequate and effective internal audit to evaluate risk management, control and governance processes lies with each Local Authority’s Chief Finance Officer (the Section 151 Officer or Section 17 Officer).
- 2.3.2 The Local Authority and its Members must be satisfied about the adequacy of the advice and support it receives from internal audit.
- 2.3.3 Internal audit is provided by Eastern Internal Audit Services, with the Chief Audit Executive and Internal Audit Manager responsible for ensuring the internal audit activity is undertaken in accordance with the definition of internal auditing, the code of ethics and the standards.
- 2.3.4 Senior management are responsible for ensuring that internal control, risk management and governance arrangements are sufficient to address the risks facing the Local Authority. Accountability for responding to internal audit rests with senior management who either accept and implement the recommendations, or formally reject it. Any advice that is rejected will be formally reported.

## **3 Key Relationships and Position in the Organisation**

- 3.1 The standards require the terms ‘Chief Audit Executive’, ‘Board’ and ‘Senior Management’ to be defined in the context of the governance arrangements in each public sector organisation

in order to safeguard the independence and objectivity of internal audit. The following interpretations are applied within Eastern Internal Audit Services.

### 3.2 Chief Audit Executive

- 3.2.1 The Chief Audit Executive is based at South Norfolk Council and provides the Head of Internal Audit role to all consortium members except for South Norfolk Council and Broadland District Council.

At South Norfolk Council, the Chief Audit Executive undertakes the Chief of Staff role, administratively reporting to the Managing Director of South Norfolk and Broadland Council. Due to responsibilities undertaken as part of the Chief of Staff role and the Internal Audit Manager currently finalising qualifications, the Head of Internal Audit role for South Norfolk Council and Broadland District Council is undertaken by a contractor to ensure that independence is safeguarded.

- 3.2.2 The Head of Internal Audit and the Internal Audit Manager also report functionally to each Section 151 Officer or Section 17 Officer at all other members of the consortium.
- 3.2.3 The Head of Internal Audit and the Internal Audit Manager also have a direct line of reporting and unfettered access to the Chief Executive, the Senior Management Team at each Local Authority and the Chair of the Board at each Local Authority.
- 3.2.4 The delivery of the Annual Audit Plans and any specified ad-hoc assignments is provided by an external contractor, TIAA Ltd from 1 April 2015. The Internal Audit Manager manages the contract.

### 3.3 Board

- 3.3.1 In the context of overseeing the work of Internal Audit at each Local Authority, the 'Board' will be the Audit Committee (or equivalent) of the Local Authority, which has been established as part of the governance arrangements. The Audit Committee's responsibilities are discharged through each of the Local Authority's Constitution's and explicitly referred to in each terms of reference.
- 3.3.2 This functional reporting includes;
- Approving the audit charter, audit strategy and risk based annual plans;
  - Receiving regular reports on the outcomes of internal audit activity and performance;
  - Receiving regular reports on management action in relation to agreed internal audit recommendations;
  - Receiving the Annual Report and Opinion of the Head of Internal Audit, alongside a conclusion as to the effectiveness of internal audit;
  - Overseeing External Assessments of the Internal Audit Service, at least once every 5 years.
- 3.3.3 Internal Audit work closely with the chair and members of the Audit Committee to facilitate and support their activities, part of which includes facilitating a self- assessment and providing training.
- ### 3.4 Senior Management
- 3.4.1 'Senior Management' is those individuals responsible for the leadership and direction of the organisation, and are responsible for specific aspects of internal control, risk management and

governance arrangements. There is effective liaison between internal audit and senior management to ensure that independence remains, and provides for a critical challenge.

- 3.4.2 The Internal Audit Manager meets regularly with the Section 151 Officer or Section 17 Officer to ensure organisational awareness is maintained, to discuss progress with the agreed Internal Audit Plan and to maintain a good working relationship. These arrangements facilitate discussions in relation to the current and emerging risks and issues to ensure that the internal audit plan of work remains reflective and also responds as required.

### 3.5 External Audit

- 3.5.1 Regular liaison is maintained with External Audit to consult on audit plans, and to discuss matters of mutual interest. The external auditors have the opportunity to take account of the work of internal audit where appropriate.

### 3.6 Other Internal Audit Service Providers

- 3.6.1 Where appropriate internal audit will liaise with other internal audit providers, where shared arrangements exist. In such cases, a dialogue will be opened with the Chief Audit Executive to agree a way forward regarding the auditing of such shared services. This is to ensure an efficient and effective approach, and enable reliance on each other's outcomes. Where formal arrangements are entered into a protocol will be determined and agreed by both Chief Audit Executives.
- 3.6.2 Internal audit will also co-operate with all external review and inspection bodies that are authorised to access and evaluate the activities of the Local Authority, to determine compliance with regulations and standards. Assurances arising from this work will be taken into account where applicable.

## **4 Rights of Access**

- 4.1 Internal audit, with strict accountability for confidentiality and safeguarding records and information, is authorised to have the right of access to all records, assets, personnel and premises and has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. This access is full, free and unrestricted and is set out in each Local Authority's Constitution.
- 4.2 Such access shall be granted on demand and shall not be subject to prior notice, although in principle, the provision of prior notice will be given wherever possible and appropriate, unless circumstances dictate otherwise.

## **5 Objective and Scope**

- 5.1 The provision of assurance services is the primary role of Eastern Internal Audit Services, thus allowing the Head of Internal Audit to provide an annual audit opinion on the adequacy and effectiveness of the Local Authority's framework of governance, risk management and control, together with reasons if the opinion is unfavourable.
- 5.2 Internal audit will also provide consultancy services, at the request of management. These reviews are advisory in nature and generally performed to facilitate improved governance, risk management and control. This work may contribute to the annual audit opinion.

- 5.3 Whichever role / remit is carried out by internal audit the scope is to be determined by internal audit, through discussions with senior management, however this scope will not be unduly bias nor shall it be restricted.
- 5.4 A risk based Strategic Internal Audit Plan will be developed each year to determine an appropriate level of risk based audit coverage required to generate an annual audit opinion. The plan will be derived from risk assessments, discussions with Senior Management and Audit Committee taking prior year's assurance results into account.
- 5.5 Each audit review will be designed to provide evidence based assurance over the management of risk and controls within that area. The results of each review will be shared with management so that any required improvements can be actioned to restore satisfactory systems of internal control.
- 5.6 It is management's responsibility to control the risk of fraud and corruption; however internal audit will be alert to such risks in all the work that is undertaken. In addition, the Head of Internal Audit and Internal Audit Manager are either responsible for, or is consulted on, related policy and strategy. These include for example; Counter Fraud, Corruption, Anti-Bribery, Whistleblowing, Anti-Money Laundering and includes the related promotion and training for officers and councillors.
- 5.7 Through the contract in place with TIAA Ltd there are other services that can be provided, these include: fraud investigations, grant certification and digital forensics.

## **6 Independence and Objectivity**

- 6.1 Internal Audit must be sufficiently independent of the activities that are audited to enable an impartial, unbiased and effective professional judgement. All internal auditors working within Eastern Internal Audit Services, annually confirm their adherence the Code of Ethics, which sets out the minimum standards for performance and conduct. The four core principles are integrity, objectivity, confidentiality and competency.
- 6.2 As contractors the TIAA Internal auditors have no operational responsibility or authority over any of the activities which they are required to review. They do not engage in any other activity, which would impair their judgement, objectivity or independence.
- 6.3 The Head of Internal Audit and Internal Audit Manager have responsibility for the strategic direction of the Internal Audit Service. At South Norfolk and Broadland District Council where a shared service arrangement is in place the Chief of Staff carries out additional responsibilities that fall outside of internal auditing. These include;
- Monitoring Officer
  - Democratic Services
  - Legal Services
  - Freedom of Information
  - General Data Protection Regulation
  - Human Resources
  - Communications and Marketing

Safeguards exist to limit any impairments that may occur to the independence and objectivity at Broadland and South Norfolk Council. The Internal Audit Manager assumes responsibility for the daily management, progress reporting and quality assurance of any internal audit work

carried out by the contractor and does not have any involvement in the above-mentioned activities.

In line with the PSIAS requirements, until the Internal Audit Manager is CMIIA qualified, the Head of Internal Audit role at South Norfolk and Broadland District Council will be carried out by a fully qualified contractor responsible for overseeing the Annual Audit Opinion. The Head of Internal Audit will continue to provide the Annual Audit Opinion for all other consortium members.

- 6.4 If the independence or objectivity of the Head of Internal Audit is impaired, or appears to be, the details of the impairment will be disclosed to the Internal Audit Manager and / or senior management. The nature of the disclosure will depend upon the impairment.

## **7 Professional Standards**

- 7.1 The Internal Audit Service and all Internal Audit staff operate in accordance with all mandatory guidance within the PSIAS including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and Definition of Internal Auditing. Internal Auditors also have regard for the principles contained within the Standards of Public Life.

## **8 Internal Audit Resources**

- 8.1 The Head of Internal Audit will be professionally qualified (CMIIA, CCAB or equivalent) and have wide ranging internal audit management experience to enable them to deliver the responsibilities of the role.
- 8.2 The Head of Internal Audit is supported by the Internal Audit Manager in ensuring the Internal Audit Service has access through the contract to a team of staff who have the appropriate range of knowledge, skills and experience to deliver the audit service.

## **9 Audit Planning**

- 9.1 The Internal Audit Manager overseen by the Head of Internal Audit develops a strategy, alongside a strategic and annual internal audit plan, using a risk-based approach.
- 9.2 The Internal Audit Strategy provides a clear direction for internal audit services and creates a link between the Charter, the strategic plan and the annual plan.
- 9.3 The annual internal audit plan of work, developed as per the Internal Audit Strategy, is derived using a risk-based approach, discussed with Senior Management and approved by the Audit Committee. The Internal Audit Manager is responsible for the delivery of the internal audit plan, which will be kept under regular review and reported to the Audit Committee.

## **10 Audit Reporting**

- 10.1 On conclusion of each assurance review included within the annual internal audit plan, a report will be provided to management giving an opinion on the adequacy of controls in place to manage risk. This report will provide an assurance level and associated recommendations to ensure that risks are appropriately addressed.
- 10.2 Management can choose not to accept / implement the recommendations raised, in all instances this will be reported through to the Audit Committee, especially in instances whereby there are no compensating controls justifying the course of action.



- 10.3 A Progress Report is periodically presented to the Audit Committee which includes the Executive Summary of all final reports, any significant changes to the approved plan and the performance of the contractor relative to completing the agreed plan.
- 10.4 A Follow Up Report is also periodically produced for the Audit Committee showing management progress against the implementation of agreed recommendations arising from internal audit assurance reports. The Internal Audit Team will verify and obtain evidence to demonstrate recommendation completion from responsible officers.
- 10.5 An Internal Audit Annual Report and Opinion is produced for Senior Management and the Audit Committee following the completion of the annual audit plan each financial year.
- 10.6 This report includes a summary of all Internal Audit work carried out, details of recommendations that have been implemented by management and the Annual Opinion.
- 10.7 The Annual Opinion is based on the overall adequacy and effectiveness of the Local Authority's framework of governance, risk management and control during the financial year, together with reasons if the opinion is unfavourable. This opinion is reached by considering the results from assurance reviews undertaken throughout the year.
- 10.8 The report also highlights any issues that are deemed particularly relevant to the Annual Governance Statement (AGS) and the results of the review of the effectiveness of internal audit.

## **10 Quality Assurance and Improvement Programme**

- 11.1 The standards require a quality assurance and improvement programme to be developed that covers all aspects of internal audit; including both internal and external assessments.
- 11.2 If an improvement plan is required as a result of the internal or external assessment, the Internal Audit Manager will coordinate appropriate action and report this to Senior Management and the Audit Committee, as part of the annual report and opinion.

### **11.3 Internal Assessment**

- 11.3.1 Internal assessment includes the ongoing monitoring of the performance of the contractor through the performance measures. These form a key part of service management of the contract and are subject to quarterly reporting to the Internal Audit Manager for review.
- 11.3.2 On conclusion of audit reviews a feedback form is provided to the key officer identified during the audit process. Outcomes are reviewed and relevant improvements discussed with the contractor.
- 11.3.3 The standards also require periodic self-assessment in relation to the effectiveness of internal audit, the detail and outcomes of which are then forwarded to the Section 151 Officer or Section 17 Officer for their independent scrutiny, before the summary of which is provided to the Audit Committee as part of the annual report and opinion. This information enables the Committee to be assured that the internal audit service is operating in accordance with best practice.

### **11.4 External Assessment**

- 11.4.1 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Organisation. This can be in the form of a full external quality assessment that involves interviews with relevant stakeholders,



supported by examination of the internal audit approach and methodology leading to the completion of an independent report, or a validated self-assessment, which the Internal Audit Manager compiles against the PSIAS assessment tool, which is then validated by an external assessor/team. The full external quality assessment is the chosen option for Eastern Internal Audit Services.

11.4.2 An external assessment will:

- Provide an assessment on the internal audit function's conformance to the standards;
- Assess the performance of the internal audit activity in light of its charter, the expectations of the various boards and executive management;
- Identify opportunities and offer ideas and counsel for improving the performance of the internal audit activity, raising the value that internal audit provides to the organisation; and
- Benchmark the activities of the internal audit function against best practice.

11.4.3 In January 2017 Eastern Internal Audit Services was fully assessed by the Institute of Internal Auditors. The conclusion of the review was:

*The internal audit team fully meet most of the Standards, as well as the Definition, Core Principles and the Code of Ethics which form the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing. This is described as "Generally Conforms". It means that the internal audit team may state in its audit reports that the work "has been performed in accordance with the IPPF"*

## APPENDIX 2 – INTERNAL AUDIT STRATEGY



### EASTERN INTERNAL AUDIT SERVICES

#### INTERNAL AUDIT STRATEGY FOR 2021/22

##### 1. Introduction

- 1.1 The Internal Audit Strategy is a high-level statement of;
- how the internal audit service will be delivered;
  - how internal audit services will be developed in accordance with the internal audit charter;
  - how internal audit services links to the organisational objectives and priorities; and
  - how the internal audit resource requirements have been assessed.

The provision of such a strategy is set out in the Public Sector Internal Audit Standards (the standards).

- 1.2 The purpose of the strategy is to provide a clear direction for internal audit services and creates a link between the Charter and the annual plan.

##### 2. How the internal audit service will be delivered

- 2.1 The Role of the Head of Internal Audit and contract management is provided by South Norfolk Council to; Breckland, Broadland, North Norfolk, South Holland and South Norfolk District Councils, Great Yarmouth Borough Council and the Broads Authority. All Authorities are bound by a Partnership Agreement.
- 2.2 The delivery of the internal audit plans for each Authority is provided by an external audit contractor, who reports directly to the Head of Internal Audit. The current contract is with TIAA Ltd, and commenced on 1 April 2015, for an initial period of 5 years ending 31 March 2020. In line with the terms of this contract an extension has been agreed which will allow the contract to run for a further year terminating on 31 March 2022. The Head of Internal Audit and Internal Audit Manager in consultation with all consortium members will be procuring the internal audit contract during 2021.

##### 3. How internal audit services will be developed in accordance with the internal audit charter

###### 3.1 Internal Audit objective and outcomes

- 3.1.1 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Authority's operations. It helps the Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 3.1.2 The outcomes of the internal audit service are detailed in the Internal Audit Charter and can be summarised as; delivering a risk based audit plan in a professional, independent manner, to provide the Authority with an opinion on the level of assurance it can place upon the internal control environment, systems of risk management and corporate governance arrangements,

and to make recommendations to improve these provisions, where further development would be beneficial.

3.1.3 The reporting of the outcomes from internal audit is through direct reports to senior management in respect of the areas reviewed under their remit, in the form of an audit report. The Audit and Risk Committee and the Section 17 Officer also receive:

- The Audit Plans Report, which is risk based and forms the next financial year's plan of work; and
- The Annual Report and Opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

## 3.2 Internal Audit Planning

3.2.1 A risk-based internal audit plan (RBIA) is established in consultation with senior management that identifies where assurance and consultancy is required.

3.2.2 The audit plan establishes a link between the proposed audit areas and the priorities and risks of the Authority considering:

- Stakeholder expectations, and feedback from senior and operational managers;
- Objectives set in the strategic plan and business plans;
- Risk maturity in the organisation to provide an indication of the reliability of risk registers;
- Management's identification and response to risk, including risk mitigation strategies and levels of residual risk;
- Legal and regulatory requirements;
- The audit universe – all the audits that could be performed; and
- Previous Internal Audit plans and the results of audit engagements.

3.2.3 In order to ensure that the internal audit service adds value to the Authority, assurance should be provided that major business risks are being managed appropriately, along with providing assurance over the system of internal control, risk management and governance processes.

3.2.4 Risk based internal audit planning starts with the Authority's Business Plan, linking through to the priority areas and the related high-level objectives. The focus is then on the risks, and opportunities, that may hinder, or help, the achievement of the objectives. The approach also focuses on the upcoming projects and developments for the Authority.

3.2.5 The approach ensures; better and earlier identification of risks and increased ability to control them; greater coherence with the Authority's priorities; an opportunity to engage with stakeholders; the Committee and Senior Management better understand how the internal audit service helps to accomplish its objectives; and this ensures that best practice is followed.

3.2.6 The key distinction with establishing plans derived from a risk based internal audit approach is that the focus should be to understand and analyse management's assessment of risk and to base audit plans and efforts around that process.

3.2.7 Consultation with the Section 17 Officer and Senior Management takes place through discussion during which current and future developments, changes, risks and areas of concern are considered and the plan amended accordingly to take these into account.

3.2.8 The outcome of this populates the annual internal audit plan, which is discussed with and approved by Management Team prior to these being brought to the Audit and Risk Committee. In addition, External Audit is also provided with details of the plans.

### 3.3 Internal Audit Annual Opinion

3.3.1 The annual opinion provides Senior Management and the Audit and Risk Committee with an assessment of the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

3.3.2 The opinion is based upon:

- The summary of the internal audit work carried out;
- The follow up of management action taken to ensure implementation of agreed action as at financial year end;
- 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;
  - A statement on conformance with the standards 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.

3.3.3 In order to achieve the above internal audit operates within the standards and uses a risk based approach to audit planning and to each audit assignment undertaken. The control environment for each audit area reviewed is assessed for its adequacy and effectiveness of the controls and an assurance rating applied.

## **4. How internal audit services links to the organisational objectives and priorities**

4.1 In addition to the approach taken as outlined in section 3.2 (Internal Audit Planning), which ensures that the service links to the organisations objectives and priorities and thereby through the risk based approach adds value, internal audit also ensure an awareness is maintained of local and national issues and risks.

4.2 The annual audit planning process ensures that new or emerging risks are identified and considered at a local level. This strategy ensures that the planning process is all encompassing and reviews the records held by the Authority in respect of risks and issue logs and registers, reports that are taken through the Authority Committee meetings, and through extensive discussions with senior management.

4.3 Awareness of national issues is maintained through the contract in place with the external internal audit provider through regular "horizon scanning" updates, and annually a particular focus provided on issues to be considered during the planning process. Membership and subscription to professional bodies such as the Institute of Internal Auditors and the CIPFA on-line query service, liaison with External Audit, and networking, all help to ensure developments are noted and incorporated where appropriate.

## **5. How internal audit resource requirements have been assessed**

5.1 Through utilising a contractor the risk based internal audit plan can be developed without having to take into account the existing resources, as you would with an in-house team, thus ensuring that audit coverage for the year is appropriate to the Authority's needs and not tied to a particular resource.

5.2 That said a core team of staff is provided to deliver the audit plan, and these staff bring with them considerable public sector knowledge and experience. These core staff can be

supplemented with additional staff should the audit plan require it, and in addition specialists, e.g. information technology auditors, contract auditor, fraud specialists, can be drafted in to assist in completing the internal audit plan and focusing on particular areas of specialism.

- 5.3 All audit professionals are encouraged to continually develop their skills and knowledge through various training routes; formal courses of study, in-house training, seminars and webinars. As part of the contract with TIAA Ltd the contractor needs to ensure that each member of staff completes a day's training per quarter.

### APPENDIX 3 – STRATEGIC INTERNAL AUDIT PLAN

Audit Area	Last review & assurance	Associated Risk CRR	2021/22	2022/23	2023/24	2024/25
<b>Annual Opinion / Governance audits</b>						
Corporate Governance	2019/20 Reasonable 2020/21 - Reasonable	Risk 21 High Governance Risk and Control Framework Review		10		10
Annual Governance Statement	New Area	Risk 21 High Governance Risk and Control Framework Review	8			
Risk Management - deferred 2020/21	2018/19 - Reasonable	Governance Risk and Control Framework Review	5			
Business Strategy and Performance Management	2016/17 - Reasonable	Risk 12a & 12b, 13, 14, 23 Very High	10		10	
Programme and Project Management deferred 2020/21	New specific area	Risk 11 & 19 Medium	8			
Key Controls and Assurance	2018/19 Substantial 2019/20 Reasonable 2020/21 - In Progress	Risk 1 Very High	11	16	11	
Coronavirus response and recovery	New specific area 2020/21 Position Statement	Risk 23 Very High				
Corporate Health and Safety	2018/19 - Reasonable					10
Equinox Enterprises	2017/18 - Limited 2019/20 - Reasonable				10	
Counter Fraud and Corruption Arrangements	New Specific Area	Significant External Risk	8			
Civil Contingency Business Continuity	New specific area	Risk 10a Medium			10	

Audit Area	Last review & assurance	Associated Risk CRR	2021/22	2022/23	2023/24	2024/25
<b>Fundamental Financial Systems</b>						
Accountancy Services includes control accounts, banking, bank reconciliation, asset register, budgetary control and treasury management	2019/20 - Substantial	Risk 1 Very High	16		16	
Accounts Payable (includes insurance)	2018/19 Substantial 2020/21 Substantial	Governance Risk and Control Framework Review		12		12
Accounts Receivable	2019/20 - Reasonable	Risk 5 - High	10		10	
Income	2019/20 - Substantial	Risk 1 Very High	8		8	
Payroll and Human Resources (includes officer expenses)	2018/19 - Substantial 2020/21 - Reasonable	Risk 12a & 12b High		15		15
Council Tax and National Non-Domestic Rates	2019/20 - Reasonable	Risk 1 Very High	15		15	
Housing Benefits and Council Tax Support	2019/20 - Substantial	Risk 5 High	18		15	
Housing Rents	2018/19 Reasonable 2020/21 Reasonable	Risk 1 Very High		16		16
<b>Contract Audit</b>						
Capital Programme Contracts (General Fund & HRA) - Deferred to 2021/22	2018/19 - Reasonable	Risk 5 High	8		12	
GY Norse	2019/20 Reasonable		8		12	
Procurement	2018/19 Limited 2020/21 - Position Statement	Risk 18b High 18a Medium		12		
GYB Services	2019/20 Reasonable					12
Leisure Trust	2016/17 - Reasonable			12		
Legal Services Arrangements	2016/17 - Reasonable				6	

Audit Area	Last review & assurance	Associated Risk CRR	2021/22	2022/23	2023/24	2024/25
<b>Service area audits</b>						
Town Centre Regeneration and Investment	New specific area	Risk 5 High		10		
Development Control - Deferred 2021/22	2017/18 - Reasonable	Risk 16, 17 Medium	15			
Building Control - Deferred 2021/22	2017/18 - Reasonable			7		
Section 106 Arrangements	2019/20 Reasonable				8	
Environmental Services - Corporate Enforcement focus 2019/20	2018/19 - Reasonable 2019/20 - Reasonable	Risk 10b, 20 High	12			
Private Sector Housing - Deferred 2021/22	New specific area			10		
Parking Services - Deferred 2021/22	2015/16 - Reasonable 2018/19 Reasonable					10
Bereavement Services	2016/17 - Substantial			10		
Property & Asset Management	2018/19 Reasonable			12		
Coastal Protection - Deferred 2021/22	New specific area	Risk 3 & 4 Very High	10			
Markets	2019/20 - Reasonable				8	
Elections	2014/15 - Reasonable			10		
Licensing - see Environmental Services for 2021/22	2016/17 - Reasonable	Risk 10b, 20 High		10		
Member Services	2015/16 - Position Statement					10
Early Help Hub	2017/18 - Reasonable				10	
Outdoor Leisure	2018/19 - Limited			10		
Housing Strategy and Affordable Housing	2012/13 - Reasonable 2019/20 - Reasonable					10
Right To Buy - Deferred 2021/22	2017/18 - Reasonable				6	
Leasehold Management	2017/18 - Limited 2018/19 Reasonable				10	
Housing Needs, Allocations, Homelessness & Housing Register	2017/18 - Reasonable. 2020/21 - Position Statement	Risk 5 High		10		



Audit Area	Last review & assurance	Associated Risk CRR	2021/22	2022/23	2023/24	2024/25
<b>Service area audits continued</b>						
Control Centre	2018/19 - Reasonable				10	
Housing Adaptations	2017/18 - Limited. 2019/20 - Reasonable					10
Disabled Facilities Grants & discretionary loans - Deferred 2021/22	2018/19 - Reasonable			10		
Housing Services	Potential new area				10	
Event Management and Tourism - Deferred 2021/22	2016/17 - Limited	Risk 9 Medium	12			
Preservation Trust	2019/20 Limited			10		
<b>ICT Audits</b>						
Remote Access	2020/21 - Substantial					
Data Centre, Back Up and Disaster Recovery	2019/20 Reasonable	Risk 8b Medium				
Software Licensing - Deferred 2020/21	No recent review		10			
Starters, Movers, Leavers	2019/20 Reasonable					
Change Control & Patch Management	2015/16 Limited		10			
Network Security & Infrastructure	2018/19 Reasonable	Risk 7 Medium		10		
ICT Contract Review & IT Strategy	2018/19 Reasonable					
Cyber Crime	2019/20 Reasonable	Risk 8b High				
Digital Strategy - Deferred 2020/21	New specific area	Risk 22 High	10			
Application Audits	New specific area					
IT Audit Coverage TBC				20	30	30
<b>Follow Up of audit recommendations</b>						
All audit recommendations			16	16	16	16
<b>Total number of days</b>			<b>228</b>	<b>248</b>	<b>243</b>	<b>161</b>

#### APPENDIX 4 ANNUAL INTERNAL AUDIT PLAN 2021/22

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Annual Opinion / Governance audits</b>						
Risk Management	5				5	Risk management was last audited in 2018/19 where a reasonable assurance grading was given. Our review of this area was deferred during the 2020/21 plan to enable Covid-19 coverage. This review is carried out periodically to support the Head of Internal Audit Opinion and will provide assurance that significant risks are being identified and managed in line with the Council's risk appetite.
Annual Governance Statement	8				8	A deep dive review will be undertaken to provide assurance that compliance with the Councils governance code can be evidenced and that Annual Governance Statement is produced to follow the Cipfa and Solace Delivering Good Governance in Local Government. This review is to be carried out consortium wide to draw on similarities and relevant good practice.
Business Strategy and Performance	10				10	Due to the significance of the Covid-19 Pandemic, the Corporate Plan for the Council will be reviewed taking lessons learnt, new ways of working and changes to local needs into account. Our review will provide assurance that the new strategy reflects the environment, that reliable information has been used to inform the process, that risks to delivery have been considered and that performance measures have been revised that are achievable yet challenging. This review will be undertaken consortium wide to draw on similarities and good practice where relevant.
Programme and Project Management	8			8		This area has not been subject to audit review at the Council before and was deferred in 2020/21 to enable Covid-19 coverage. Governance arrangements and monitoring of the Future High Streets Fund and Town Deal fund projects will be evaluated as part of this review. This audit will focus on providing assurance through a position statement that the Council's framework for approving, managing and reporting on key projects is in line with best practice and supports the delivery of key objectives.

Annual Opinion / Governance audits						
Key Controls and Assurance	11				11	This is an annual review of key controls and feeds into the Statement of Accounts, for those systems not subject to a full audit review within the year, coverage will be required. For 2020/21 this will include; Accounts Payable, Payroll and HR and Housing Rents.
Counter Fraud and Corruption Framework	8		8			The latest Fighting Fraud and Corruption Strategy has highlighted an increasing threat of fraud related risks for local authorities. Our review will examine the Council's approach to Fraud in line with the checklist provided as part of this new strategy and suggest practical recommendations for improvement where required. This review will be carried out consortium wide to examine areas of best practice.
Fundamental Financial Systems						
Accountancy Services	16				16	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.
Accounts Receivable	10			10		
Income	8		8			
Housing Benefits and Ctax Support	15			15		
Council Tax and NNDR	18			18		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. The end to end process will be examined and evidence of due diligence requested to provide assurance that grants have been paid correctly.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Contract Audit</b>						
Capital Programme Contracts	8		8			This review was deferred from 2020/21 to allow for Covid-19 coverage. Some arrangements were 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, program management and delivery relying on assurance provided on project governance by Allman Woodcock.
GYN - Invoicing	8		8			An audit will be undertaken of the works process from the point of confirmation of completed works to invoicing evaluating the systems used to inform this process. This work will select a sample from the 'done' report covering 2019/20 & 2020/21 and obtain evidence demonstrating completion and post inspection where appropriate.
<b>Service area audits</b>						
Development Control	15				15	Our review of this area was deferred in 2020/21 to enable Covid-19 coverage. A reasonable assurance grading was given in this area during 2017/18. This function underwent a restructure in 2019/20 and is in increasing demand to support significant projects at the Council. Our review will therefore provide assurance following this that the service is operating effectively. Performance in relation to determining applications within the statutory timeframes; planning enforcement controls will be reviewed.
Environmental Services	12			12		The Corporate Risk Register contains two high risks relating to the provision of Environmental Services. In addition our Coronavirus Response and Recovery review has highlighted that this area has been significantly impacted by the Pandemic. Our review will provide assurance on efforts to return to BAU, following up on issues raised during the position statement. Areas such as food licencing backlog, ship sanitation, garden waste and bulky waste income and financial viability of the waste contract following increases in household waste will be reviewed.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>Contract Audit</b>						
Coastal Protection	10		10			This review was deferred from the 2020/21 Internal Audit Plan to allow for Covid-19 coverage. A very high risk has been raised in the CRR in relation to the effects of flooding. Coastal Protection has not been audited before at Great Yarmouth. Our review will aim to provide assurance over short to long term plans to mitigate the risks associated including repair/replacement of flood defences and engagement with local communities, Coastal Partnership East and the Environment Agency.
Event Management and Tourism	12				12	This review was deferred from 2020/21 to allow for Covid-19 coverage. Event management was last audited in 2016/17 and was given a Limited assurance grading. This review will focus on the arrangements for preventing risks in relation to event failure/closure or significant health and safety related incidents and focus on controls mentioned within the strategic risk register for controlling this risk within a medium score. The review will also assess the appropriateness of arrangements with GYTABIA Greater Yarmouth Tourism and Business Improvement Area Ltd and review income management controls.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
<b>ICT Audits</b>						
Change Control and Patch Management	10				10	This area was last reviewed in 2015/16 and was given a Limited assurance. The audit will focus on agreement, scheduling and communication of changes and patches and provide assurance that recommendations raised as the 2015/16 review are operating effectively.
Software Licencing	10				10	This audit was deferred from 2020/21 to allow for Covid-19 coverage and has not been reviewed recently. This audit will provide assurance over the management of 3rd party licencing arrangements, and to ensure that all software licencing agreements have been identified, recorded, and updated if required prior to expiry.
Digital Strategy	10			10		This audit was deferred from the 2020/21 plan to allow for Covid-19 work. The Digital Strategy represents a significant investment for Great Yarmouth in equipment, software and customer accessibility. Our review will focus on providing assurance that this investment in each area is supported by a comprehensive business case, that the budget is being well managed and progress reporting is effective.
<b>Follow Up of audit recommendations</b>						
All audit recommendations	16	4	4	4	4	Bi-monthly follow up of agreed audit recommendations
<b>Total number of days</b>	<b>228</b>	<b>12</b>	<b>38</b>	<b>77</b>	<b>101</b>	

Subject: PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

Report to: Audit and Risk Committee, 14 June 2021

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

## **SUBJECT MATTER**

This report examines progress made between 5 February 2021 to 8 June 2021 in relation to the delivery of the revised Annual Internal Audit Plan for 2020/21 and includes executive summaries in respect of the reviews which have been completed during this period.

### **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 2020/21.

### **2. CURRENT COMPOSITION OF THE ANNUAL INTERNAL AUDIT PLAN 2020/21**

- 2.1 The current position in relation to the delivery of the Internal Audit Plan for 2020/21 is shown within the attached report.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The Internal Audit Plan has been delivered within the agreed budget for 2020/21.

### **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 the results of reports in draft and finalised within this period.

### **6. RECOMMENDATIONS**

- 6.1 It is recommended that the Committee receive and note the outcome of the audits completed during this period and the progress to date.

### **7. BACKGROUND PAPERS**

Appendix – Progress Report on Internal Audit Activity

<b>Area for consideration</b>	<b>Comment</b>
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: 5 February 2021 to 8 June 2021**

**Responsible Officer: Emma Hodds – 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 There have been no changes to the revised internal audit plan 2020/21 since the last meeting of the Audit and Risk Committee.

## 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 118 days of programmed work has now been completed, equating to 100% of the Internal Audit Plan for 2020/21. Three reports are currently in draft and are awaiting management response.

## 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 period covered by the report Internal Audit Services has issued three reports:

Audit	Assurance	P1	P2	P3
GY2104 Accounts Payable	Substantial	0	0	1
GY2110 Remote access	Substantial	0	0	0
GY2107 Key Controls (DRAFT)	Reasonable	0	5	5

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 as a result of these audits one recommendation has been raised by Internal Audit. In addition, three Operational Effectiveness Matters have been proposed to management for consideration within the Remote Access report.
- 4.6 Three position statement reports have been issued to management in this period. They are; Procurement and Contract Management, and Housing Needs and Coronavirus Response and Recovery. The main findings for Procurement and Housing are summarised below. The findings from the Coronavirus Response and Recovery are currently being considered by Senior Management.

#### **Procurement and Contract Management**

The position statement issued with 11 suggested actions as follows; Ensuring procurement pages are accessible to staff on the intranet. Enforcing password changes, reviewing users and exploring use of the contract management module in the Delta eSourcing system. Regular contract management meetings to be set up with NPLaw. Contract register to be kept up to date and uploaded to the Council's website. Contract management training is provided to staff. Analysis of supplier spend undertaken and results investigated/escalated as appropriate. Exemption forms to detail date and signature of officer before adding to the contracts register.

#### **Housing Needs**

The position statement issued with one suggested action as follows: For the Housing Services risk register to be updated with current action plans in place to mitigate Covid-19 related risks and the risks on the register be rated. Risks that are no longer applicable or that are fully mitigated should be closed.

## **5. PERFORMANCE MEASURES**

- 5.1 The Internal Audit Services contract includes a suite of key performance measures against which TIAA will be reviewed on a quarterly basis. There is a total of 11 indicators, over four areas, the results of which are reported at financial year end, with any issues raised with the Committee in progress reports.
- 5.2 There are individual requirements for performance in relation to each measure; however performance will be assessed on an overall basis as follows:
- 9-11 KPIs have met target = Green Status.
  - 5-8 KPIs have met target = Amber Status.
  - 4 or below have met target = Red Status.

Where performance is amber or red a Performance Improvement Plan will be developed by TIAA and agreed with the Head of Internal Audit to ensure that appropriate action is taken.

- 5.3 A report on the performance measures has been provided to the Head of Internal Audit showing significant delays have been experienced in finalising the work throughout 2020/21. All audits assigned have now been completed. However, delays have been experienced in finalising reports with four in draft at the time of writing. We have included these audits with our report to the Committee to give an early indication of the findings and overall assurance gradings where applicable.

## 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	
<b>Quarter 1</b>											
<b>TOTAL</b>		0	0	0							
<b>Quarter 2</b>											
Assurance Mapping	GY2101	8	8	8	Final report issued 2 March 2021						
<b>TOTAL</b>		8	8	8							
<b>Quarter 3</b>											
Corporate Governance	GY2102	6	6	6	Final report issued 15 December 2020	Reasonable	0	1	2	0	Jan-21
Housing Rents	GY2105	16	16	16	Final report issued 8 December 2020	Reasonable	0	1	5	1	Jan-21
HR & Payroll	GY2106	15	15	15	Final report issued 18 February 2021	Reasonable	0	4	5	0	Jun-21
<b>TOTAL</b>		37	37	37							
<b>Quarter 4</b>											
Accounts Payable	GY2104	12	12	12	Final report issued 5 May 2021	Substantial	0	0	1	0	Jun-21
Procurement and Contract Management	GY2103	12	12	12	Draft report issued draft 20 April 2021	Position Statement					Jun-21
Key Controls and Assurance	GY2107	16	16	16	Draft report	Reasonable	0	5	5	0	Jun-21
Coronavirus Response and Recovery	GY2108	15	15	15	Draft report issued	Position Statement					
Housing Needs and Allocations and Homelessness	GY2109	10	10	10	Draft report issued in draft 11 May 2021	Position Statement					
<b>TOTAL</b>		53	53	53							
<b>IT Audits</b>											
Remote Access	GY2110	10	10	10	Final report issued 4 May 2021	Substantial	0	0	0	0	Jun-21
<b>TOTAL</b>		10	10	10							
<b>Follow Up</b>											
Follow Up	NA	10	10	10							
<b>TOTAL</b>		10	10	10							
<b>TOTAL</b>		118	118	118			0	11	18	1	
<b>Percentage of plan completed</b>				100%							

## APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES

### Assurance Review of Accounts Payable

#### Executive Summary

##### OVERALL ASSURANCE ASSESSMENT



##### ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Policy, Procedure and Systems	0	0	0	0
Ordering	0	0	0	0
Creditors	0	0	0	0
Reconciliations	0	0	1	0
Credit Card Purchases	0	0	0	0
Total	0	0	1	0

##### SCOPE

The objective of the audit is to review the systems and controls in place within Accounts Payable, to help confirm that these are operating adequately, effectively and efficiently.

## RATIONALE

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- 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 one 'needs attention' recommendation being raised upon the conclusion of our work.
- The previous audit report for Accounts Payable (GY1918) was issued in March 2019. It concluded in a 'Substantial Assurance' opinion with two 'needs attention' recommendations being raised. Furthermore, the Key Controls Audit (GY2014), which was undertaken in February 2020, raised one 'important' recommendation relating to Accounts Payable.

## POSITIVE FINDINGS

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

### Policy, Procedure and Systems

- The supplier set-up and amendment form has been developed to capture Construction Industry Scheme (CIS), procurement and consultant information, reducing the risk of the required information not being recorded. The system has also been updated in line with the Domestic Reversal Charge (DRC) changes coming into effect in March 2021.

### Ordering

- Supplier setup/amendment checks correctly go through a process of controls to avoid fraudulent setup or changes to information. This verifies that the change is legitimate and reduces the risk of fraudulent activity.
- For a sample of 25 payments, where requests are received to make changes to creditor payment details, the creditor was contacted by phone using the original contact details to confirm the validity of the request to update payment records. This provides evidence that the change is legitimate and reduces the risk of fraudulent activity.
- The entire population of purchase orders (POs) from April 2020 to January 2021 were tested and found that all had been independently authorised, enabling the risk of lack of segregation of duties to be reduced therefore helping to prevent fraudulent activity.
- In addition to above, testing showed that all POs had been Goods Received (GRN'd) which demonstrates that all POs were checked for accuracy and receipt of goods was confirmed before payment.

### Creditors

- Controls within the system prevent the same invoice number on the same supplier to be paid, reducing the risk of duplicate payments. Data was analysed during the audit to identify suspected duplicate invoices, and a review of a sample of these found they had already been identified and acted upon.
- Payment of Invoices within 30 days (%) is a corporate performance indicator (PI) reported on quarterly against a target of 90%. The 2020/21 quarter 3 report shows a figure of 93.7% & and the quarter before being 93.7%, which verifies that the target has been met.
- Sample testing of invoice records, evidenced that all relevant records had been updated to show that the invoice has been paid.
- BACS payment runs are checked and authorised at a senior level with a separation of duties in place, reducing the risk of inappropriate or fraudulent payments.

### Reconciliations

- Each time BACS payments are processed, the Council receives an exceptions report which lists any payments which could not be made. These exceptions are investigated and remedial action is taken facilitating a timely correction of incorrect information.

### Credit Card Purchases

- A sample of ten credit card holders verified that they have a signed card holder agreement form in place. This enables understanding of the terms and conditions connected to a Council credit card which should help prevent incorrect use.

## ISSUES TO BE ADDRESSED

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

### Reconciliations

- The Creditor control account be reviewed promptly after being reconciled and signed and dated by both preparer and reviewer.

### Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

### Previous audit recommendations

The audit reviewed the previous internal audit recommendations, of which none remain outstanding. The previous review of Key Controls and Assurance (GY/20/14) included one 'important' recommendation for accounts payable, which has also been confirmed as implemented.



## Assurance Review of the Remote Access

### Executive Summary

#### OVERALL ASSURANCE ASSESSMENT



#### ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Policies and Procedures	0	0	0	2
Access Controls	0	0	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

No recommendations were raised in the areas of Monitoring of Remote Access, Remote Access Change Controls and Network Protection.

#### SCOPE

An audit of the infrastructure and management of remote access was carried out to provide assurance that IT systems are able to support the additional pressure placed on them from the Coronavirus Pandemic.

## RATIONALE

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- 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 no recommendations being raised upon the conclusion of our work.
- The audit has however 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

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

- The decision taken to replace the majority of fixed desktop computers with laptops as part of the "Transformation and Digital Design Programmes in 2016 significantly increased the number of users who could work remotely. The Council's ability to allow remote working was further enhanced with the installation of Always on VPN<sup>1</sup> as part of the standard build for all laptops. This provides all users with the ability to work securely from home, which placed the Council in a good position to meet the challenges of the Pandemic.
- The Council's ICT provider Norfolk County Council (NCC) have appropriate processes in place to monitor user activity. Evidence of the reports that are available to ICT was provided. The information obtained from the reports is stored in the Council's Security Information and Event Monitoring System (SIEM) - LogPoint.
- Evidence was provided to demonstrate that the Council employ the Incident Management procedures that have been developed by NCC. This procedure should help to ensure that normal ICT services are restored as quickly as possible in the event of any unplanned interruption to IT service delivery.
- The Council has reported that there had been no incidents at this time in relation to remote access.
- Internal audit examined the processes in place ensure that the remote access provided to the users is scalable and has been able to manage the increase demand that the Pandemic has created for the Council. The Initial challenge at the start of the pandemic in relation to a lack of scale within the AOVPN service was rectified by increasing the number of AOVPN servers from two to three. Remote access connections are now distributed through the three AOVPN servers and load balancing is provided through Azure Traffic Manager. This ensures that all incoming connections are distributed across the three servers equally,

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<sup>1</sup> "Always on VPN" (AOVPN) is a solution which automatically establishes a secure VPN link to an organisations network, users login to their device as though they were in the office.

ensuring the delivery of remote access works efficiently. The measures adopted ensured that the Council had the necessary scalability to meet the increased demand for remote working generated by the Pandemic.

- The health status of the AOVPN servers is monitored through "Microsoft Operations Manager", which supports ICT by identifying problems in a timely manner to ensure rapid resolution.
- The Council employs Norfolk County Council's (NCC) change control process. A Change Advisory Board (CAB) meets to discuss and approve any proposed changes to ICT systems. The Council's IMT Manager or a member of GYBC's Information Management and Technology team will attend the CAB if the changes that are being discussed will have an impact on GYBC's IT systems.
- The County Council employ Intrusion Detection systems to filter network traffic and detect any potential threat to the Council network, the system is applied to the remote access traffic, filtering users access.
- ICT have recently commissioned penetration testing on the network, although the results of the testing were not available at the time of the audit.
- A list of the leavers for March 2021 was obtained, evidence was provided to show that all of the 8 leavers have had their access to the network blocked. In addition the screenshot also showed the users had not accessed the network during in the last 30 days.
- The AOVPN solution used by the Council for remote access ensures that all connections use two-factor authentication.
  1. The device used to connect through AOVPN needs to hold a recognised certificate before a connection is permitted to the Council's servers.and
  2. The person signing into the device must enter a recognised login name and password. If a device holds the required certificate, the users connection will be established via a secure "tunnel", allowing the user to seamlessly log onto the network with their usual login name and password as though they were working in the office.
- Requests from third-party suppliers, who require access to the Council's network, are handled by the NCC ICT service desk. ICT hold a defined list of users who are permitted to access the network for each Supplier. The service desk logs all access requests; each individual will be assigned their own AD login which is valid for 24hrs. The permissions provided to the user are restricted to areas of the network needed to carry out their support task. If any issues arise as a result of the access that has been granted to third-parties, ICT hold details of which companies have accessed the network the time that each individual connected and disconnected from the network.

## ISSUES TO BE ADDRESSED

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There are no recommendations resulting from the work carried out by Internal Audit.

### Operational Effectiveness Matters

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

- When the next review of the Information Security policy documents is carried out in 2022, consideration should be given to the references made to the EU General Data Protection Regulations (GDPR) and whether they are used in the right context given that the legislation in the UK is the DPA 2018.
- Consideration should be given to combining the Mobile Devices and Removable Media policies.
- There is a need to consider enabling geolocation services to allow restrictions to be imposed on access requests from certain high-risk countries.

# DRAFT Assurance Review of Key Controls and Assurance

## Executive Summary

### OVERALL ASSURANCE ASSESSMENT



### ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
General Ledger	0	0	1	0
Treasury Management	0	0	1	0
Accounts Receivable	0	2	0	0
Housing Rents	0	0	1	0
Housing Benefit	0	0	1	0
NNDR	0	2	0	0
Assurance Framework	0	1	1	0
<b>Total</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>

### SCOPE

An annual review of key controls that feed into the Statement of Accounts, for those systems not subject to an audit review within year, has been completed. This covered Accountancy Services (Asset Management, General Ledger, Control Accounts, Treasury Management, Budgetary Control and General Ledger), Accounts Receivable, Income and Receipt (Remittances), Car Parking, Housing Benefit, Council Tax, National Non-Domestic Rates (NNDR) and the Assurance Framework.

## RATIONALE

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- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with the audit. The assurance opinion has been derived as a result of five 'important' and five 'needs attention' recommendations being raised upon the conclusion of our work.
- The previous review of Key Controls and Assurance (GY/20/14), completed in February 2020, also concluded in a 'Reasonable' assurance having raised four 'important' and five 'needs attention' recommendations. This indicates that the level of control is unchanged since the previous audit.

## KEY FINDINGS

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### 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:

- Accountancy Services (Asset Management, General Ledger, Control Accounts, Treasury Management and Budgetary Control)
- Accounts Receivable
- Income and Receipt (Remittances)
- Car Parking
- Housing Benefit and Council Tax Support
- Council Tax
- NNDR
- Assurance Framework

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

- Accounts Payable (GY/21/04) – Final report issued 5<sup>th</sup> May 2021
- Payroll and Human Resources (GY/21/06) – Final report issued 18<sup>th</sup> February 2021
- Housing Rents (GY/21/05) – Final report issued 8<sup>th</sup> December. (Top up testing completed in this audit to cover quarters 3 and 4.)

## ISSUES TO BE ADDRESSED

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

### Accounts Receivable

- Credit notes be adequately approved prior to credit being given to customers to reduce the risk of misappropriation of Council funds.
- Recovery actions to recover outstanding debts be continued after the automatic recovery stages to reduce the risk of debts becoming irrecoverable.

### NNDR

- NNDR exemption/reliefs reports be reviewed, and signed to evidence that this has been done, to reduce the risk of granting reliefs to ineligible businesses.
- A process be put in place for carrying out sample checking (QA) of raising and recovering business rates, to reduce the risk of errors not being identified.

### Assurance Framework

- All Assurance Statements be completed and returned in advance of the AGS being prepared, to reduce the risk of inaccurate or incomplete information being included.

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

### General Ledger

- The suspense account be dated when signed by a preparer and reviewer, to reduce the risk of discrepancies not being identified in a timely manner.

### Treasury Management

- As part of the budget monitoring process, loans and investment information is reviewed to confirm that interest payable and receivable are correct, to reduce the risk of financial loss or inaccurate reporting.

#### **Housing Benefit and Council Tax Support**

- The target of 4% test checking be achieved by the Housing Benefit and Council Tax Support Team Leaders, to reduce the risk of error in the processing of Housing Benefit and Council Tax Support

#### **Housing Rents**

- Housing rents and cash receipting reconciliations be reviewed promptly after being reconciled, to reduce the risk of discrepancies not being identified or followed up.

#### **Assurance Framework**

- The AGS should reflect the non-return of Assurance Statements, to reduce the risk of reliance being placed on areas where Assurance Statements were not completed.

No operational effectiveness matters have been raised.

#### **Other points noted**

In addition to the points raised in this review, management need to consider referring to the outcomes of the reviews completed during the year, as part of the revised audits plans and the impact of Covid-19 on key financial and non-financial controls, when preparing the Annual Governance Statement for 2020/21.

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 authorisation. The system does not enforce segregation of duties, but no issues with this were identified during testing. The Council has considered and accepts the risk associated with this policy.

#### **Outstanding Previous Recommendations**

The previous audit of Key Controls (GY2014) was undertaken in February 2020, providing a 'reasonable' assurance opinion. As a result of this, four 'important' and five 'needs attention' recommendations were raised. Three 'important' and two 'needs attention' recommendations remain outstanding and are being followed up as part of the audit cyclical follow up process.



**Subject: Annual Report on Risk Management Arrangements 2020/2021**

**Report to: Management Team – 13 May 2021**

**Audit and Risk Committee - 14 June 2021**

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



#### **SUBJECT MATTER**

This report provides details of the key risk management developments during 2020/2021 for the committees' review.

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

#### **RECOMMENDATION**

That Committee 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 2020/21, 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.
- 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 the ways of working following the changes to covid restrictions and 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.
- 5.5 During 2020/21 a review of the impact of the coronavirus was undertaken to ensure that applicable governance and control measures were in place and the impact on the delivery of the usual services and to assess the longer term disruption and consequences arising from the pandemic.

## 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 2020 / 2021**

### **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 2020/2021 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 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.

#### **3. Main Issues**

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

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

##### **a. Risk Management Framework**

The Risk Management Framework is published on the Councils website, under Your Council / Council Policies, Strategies and Plans / Policies and Strategies. The Risk Management Framework was last reviewed in December 2020.

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

## 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 January 2021. During the year new risks have been identified and included on the register and risk have been removed as they are no longer required to be included and / or they are considered to be a service risk.

Due to the COVID 19 pandemic the Corporate Risk Register was not reviewed by Management Team as per the timetable stated in the Risk Management Framework due to management being required to assist in the national emergency and community response 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 2021 there were 23 risks on the corporate risk register.

Risk score is calculated by multiplying the likelihood by the impact. The current position of the risk register is shown on 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**

<b>Impact Type</b>	<b>1 Negligible</b>	<b>2 Minor</b>	<b>3 Moderate</b>	<b>4 Significant</b>	<b>5 Severe</b>
<b>Financial (loss)</b>	£0k – <£10k	£10k – <£50k	£50k - <£250k	£250k – £1m	Over £1m
<b>Service Provision</b>	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
<b>Projects</b>	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
<b>Health &amp; Safety</b>	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
<b>Objectives</b>	No effect	Some Team Objectives not met	Team objectives not met	Portfolio Objectives not met	Corporate Objectives not met
<b>Morale</b>	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
<b>Reputation</b>	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
<b>Government Objectives</b>	No effect	Poor Assessments(s)	Service taken over temporarily	Service taken over temporarily	Service taken over permanently
<b>Statutory / Legal</b>	No impact / breach	Warning received	Breach Challenging Improvement Notice	Enforcement Action Improvement Notice	Prosecution Fine
<b>Community Risk</b>	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. As at the 31 March 2021 there were 23 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		10b Business Continuity – Brexit – Impact of a failure to conclude a post Brexit EU trade deal	1 – Reduction in financial resources 2 – Reduced spending in Great Yarmouth	23 - COVID 19 - Impact of response and recovery actions on the residents and businesses of the Borough
	4	19 – Change Management	18b – Sufficient resources and resilience to ensure effective contract management 20 – Tree and Land Management	5 - Local/National Economy 8b – Cyber Security 22 – IT systems capability and interaction	3 - Flooding 4 – Flood defence and coastal protection
	3		6a – Compliance with General Data Protection Regulations (GDPR) 7 - Information Security 8a - Data quality 11 – Management of Major Projects 16 - Infrastructure not being able to meet demand 17 - No 5-year Local Plan and timescale Local Plan can be delivered 18a – Sufficient resources and resilience to ensure effective procurement	12a – Reliance on key individuals and capacity of teams 12b - Resilience and capacity of staff 13 – Unforeseen changes in government policies 14 - Delivery of long term strategic objectives 21 – Loss of Reputation	
	2		17 - Business improvement in the major leisure facilities under delivers	6b – GDPR impact on Payment Card Industry data security standards PCIDSS 9 - Event Management – for large scale events held in the Borough 10a - Business Continuity 15 - Lack of community cohesion / community tensions	
	1				
		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 the Management Team. The Corporate Risk Register was last reviewed by the Committee in February 2021. Due to the COVID 19 pandemic the Corporate Risk Register was not reviewed by the Audit and Risk Committee as per the original timetable stated in the Risk Management Framework due to the scheduling of committee meetings having to be amended in response to the priorities of the pandemic and including assisting with the national emergency and community response.

### 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. Due to COVID 19 pandemic and the requirement of officers to provide assistance and support for the national emergency and community response the first meeting during the year was held in January 2021 however the Corporate Risk Officer continued to delivered the work plan during this 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 is reviewed by Management Team on a quarterly basis. As at the 31 March 2021 there were 42 partnerships on the register that the council are involved in or lead on.

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

At the time of writing we are not aware of any significant non-compliance issues to report with regards to partnership management however work is required to strengthen some of the controls / governance arrangements within some partnerships.

Due to the COVID 19 pandemic the Corporate Risk Register was not reviewed by Management Team and the Audit and Risk Committee as per the timetable stated in the Partnership Governance Framework due to re-prioritising and management being required to assist in the national emergency and community response. However, during the year, the layout and the contents of the register was reviewed.

**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 with additional support bought in from Norfolk County Council. 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 2020/21**

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 this year.

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

- A COVID-19 risk assessment was undertaken for all our buildings and a COVID compliance team was established to ensure all service areas were COVID compliant
- A Working-Safely document was produced to provide advice to employees returning to work. This covers the safety measures that the Council have introduced to ensure are buildings are COVID secure
- COVID-19 Guidance on Carrying out Essential Visits was completed and sent to all managers
- COVID-19 Guidance for First Aiders was developed to ensure first aiders are safe when delivering first aid
- A COVID-19-Guide for New and Expectant Mothers was also developed
- A COVID-19 Guide to PPE also completed as well as information on face coverings
- Information and guidance was developed for employees who may be required to deal with cleaning the building following any employee who has Coronavirus symptoms
- Managers bulletins continue to be produced on a monthly basis to support managers in carrying out the monthly management cycle checks. In addition, staff receive health and safety bulletins monthly these bulletins have focused on COVID related issues including Working Safely at Home as well as Mental Health and Wellbeing.
- COVID audits have been completed on all our front facing buildings that have opened to members of the public
- The Health and Safety Officer continues to offer support to all service areas to ensure they are COVID compliant
- Work has also been undertaken to ensure that any events organised within the borough either by the council or external organisers are COVID compliant
- A revisit health and safety audit was undertaken at the Waterways prior to it being handed over to the Access Community Trust
- The warning marker and accident procedure was reviewed and is waiting implementation by ICT
- New induction training was developed with HR and rolled out to new members of staff
- Body cameras were rolled out for use by the Civil Enforcement Officers and Rangers

In addition, the following policies were reviewed:

- Fire Safety
- Legionella
- Bomb, Suspicious Packages and Terrorism

## **ii) Priorities for action for the next year 2021/22**

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.

The following activities are the priority for the next year; however, this will be dependent on the work required during the ongoing COVID pandemic: -

- 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
- Lone Worker device re-procurement. This was postponed for a year due the Corporate Health and Safety Officer role being vacant for several months
- Simplifying the incident and warning marker procedure. Anecdotal evidence suggests some incidents are not being reported as the current incident reporting procedure is complex and time consuming
- Review of PPE procurement to ensure uniformity across the council. This was carried forward from last year.

In addition, audits will be carried out in the following areas:

- Crematorium
- Work at height and confined spaces.

The work plan for 2021/22 has also identified that the following policies need to be reviewed and implemented:

- Work Equipment
- Manual Handling
- Health and Safety Policy
- Driving Policy
- Stress Policy

Work will also need to be undertaken to rebrand existing policies with the new Council logo.

## **iii) Guidance and Information**

The managers safety bulletin has been replaced by a safety bulletin that is provided to all staff. In the last year this has focussed primarily on providing advice and guidance in respect of COVID-19.

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

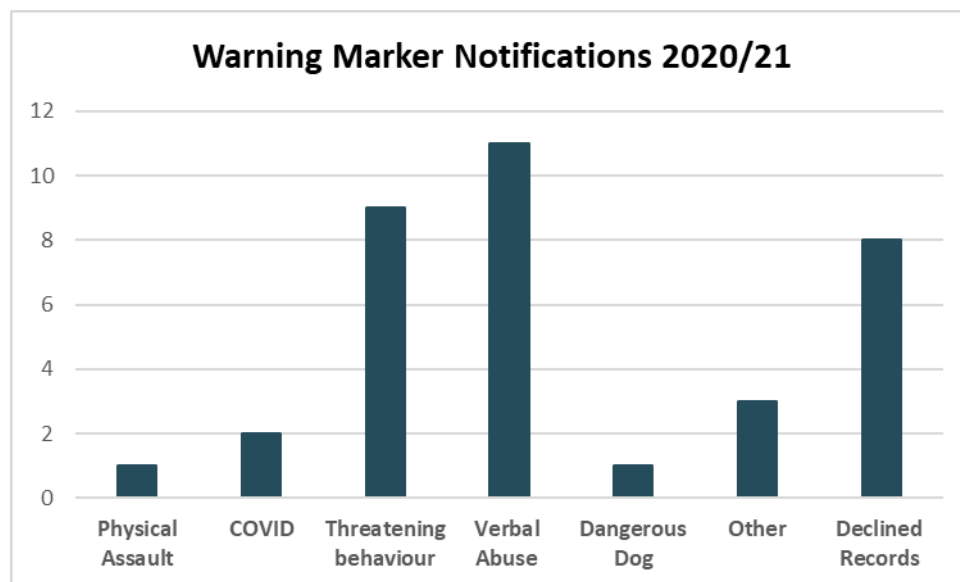
## **iv) Health and Safety Co-ordinators**

The Health and Safety Coordinators role have carried out some tasks during the last year however this has been limited due to them not being in the office. A review of the support they can provide during the ongoing pandemic will be undertaken.

#### 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 2020/21 There were a total of 35 warning marker requests received and these are broken down by type as follows: -



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 to be expected due to many staff working from home and not carrying out visits there was a significant reduction in the number of reported incidents. The accidents and incidents were reported in the last year: -

- There were 9 accidents which resulted in injury or ill health
- There was no specific trends this year in the types of accidents being reported
- There was one Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable incident.
- There were no reported accidents to members of the public
- There were 10 reported incidents of abuse to staff, a reduction of 14 on the previous year, 9 of these were verbal abuse wither face to face or over the telephone.

#### 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.

## **8 Other Work**

The Corporate Health and Safety advisor has been involved with contributing to guidance on Event Safety for the Great Yarmouth Event Safety Advisory Group and managing event notifications to ensure events in the borough are carried out safely.

### **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 projects is now a requirement within the Project Management Office (PMO). The PMO ensures compliant and effective delivery of all Corporate Projects, managed within PRINCE2 project management principles. The Project Management Office is overseen by the Strategic Director (LB), managed directly by the Programme and Project Manager, with corporate projects being led by a Project Manager and Project Sponsor and where applicable external project management support. Recent personnel changes has meant there are some gaps in resourcing, however, the Council is looking to appoint two Senior Project managers 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 based in Great Yarmouth (working remotely during the pandemic). The service agreement was renewed from 1st April 2021.

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 ongoing and expected to extend to the remainder of 2021 as social distancing restrictions unwind, vaccination continues, and outbreak management activities are embedded in business as usual activities.

- Resilience processes, priorities and plans will be reviewed and amended as the pandemic moves from Response to Recovery. This work will be scheduled in the second half of 2021 and will focus on Business Continuity, Emergency Response and interaction with the Norfolk Resilience Forum and Norfolk Public Health.
- The Councils' capability to work remotely throughout the response to the pandemic, supported by GYBC IT strategy, and ability to manage response structures has ensured that services and staff have been highly resilient.

#### **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 ended on 31 March 2021 therefore the insurance programme was put out to tender and the new insurance contract commences on 1 April 2021. This is a long-term agreement for 3 years with the option to extend for +1 +1.

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

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

By placing the insurance programme with the insurers above we were required to appoint a Broker, Arthur J Gallagher is the appointed broker for the Council.

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

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

Insurance advice has been provided in connection with the COVID 19 pandemic, which have range from the cover in place, extension of cover and advice on revision or creation of policies and procedures.

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.

An annual reminder is sent to the Management Team to raise awareness of the Risk Management Framework, its purpose and officer's roles and responsibilities.

The COVID 19 lockdown / pandemic has prevented further training being scheduled / provided during the year.

**n. Internal and External Audit reports**

Internal Audit will review risk during any audit they undertake, and this report will need to be read in conjunction with the Head of Internal Audit Annual Report and Opinion. The recommendations and issues raised will be addressed during the year and progress / implementation reported back to the Internal Auditors.

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
GY2101 Assurance Mapping	N/A	N/A	N/A	N/A	N/A
GY2102 Corporate Governance	Reasonable	0	1	2	0
GY2103 Procurement and Contract Management	N/A	N/A	N/A	N/A	N/A
GY2104 Accounts Payable	Substantial	0	0	1	0
GY2105 Housing Rents	Reasonable	0	1	5	1
GY2106 HR and Payroll	Reasonable	0	4	5	0
GY2107 Key Controls and Assurance					
GY2108 Coronavirus Response and Recovery	N/A	N/A	N/A	N/A	N/A
GY2109 Housing Needs and Allocations and Homeless	N/A	N/A	N/A	N/A	N/A
GY2110 Remote Access	Substantial	0	0	0	3

Of the 5 assurance audits completed within the year a total of 5 resulted in a positive assurance grading being given.

The Head of Internal Audit Annual Report and Opinion 2020/21 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 19 pandemic has had an impact on the delivery of the action plan however a significant amount of the work has been carried out to ensure that our workplaces are COVID secure and to enable employees to carry out site visits safely during the pandemic. 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 on issues to be addressed in Annual Report on Risk Management Arrangements 2020/2021

	Issues to be addressed	Progress update	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	On hold due to COVID 19	Corporate Risk Officer	Ongoing
2	Discussion to be held with insurance provider to identify insurance related training that can be provided to staff.	On hold due to COVID 19 and possible change of insurers due to the retendering of the insurance programme.	Corporate Risk Officer	Ongoing
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.	On hold due to COVID 19 and other work priorities. IT department include fraud alerts within the IT newsletter to staff	Corporate Risk Officer	Ongoing
4	Once approved by ELT further work will be undertaken to raise the profile to ensure compliance with Partnership Governance Framework and so all applicable governance and risk management arrangements are applied and consistently used across the organisation.	Partnership Governance Framework and Partnership Register has been approved by ELT and Audit & Risk. The Corporate Risk Officer will update in accordance with the review process documented in the Partnership Governance Framework. <b>Action completed</b>	Corporate Risk Officer	31 March 2021
5	Health & Safety Audits will be undertaken for: <ul style="list-style-type: none"> <li>Working at Height in and confined spaces</li> <li>The Waterways, to ensure identified actions from the previous audit have been completed.</li> <li>Crematorium</li> <li>Norse waste management (ensuring that the risk to members of the public in relation to vehicle movements are managed effectively)</li> <li>Tree safety management (in-house).</li> </ul>	Waterways revisit Audit completed prior to handover from GYBC.  All other work on hold due to COVID.	Corporate Health and Safety Officer	31 March 2021
6	The following policies to be reviewed and implemented: <ul style="list-style-type: none"> <li>Work Equipment Audit</li> </ul>	Fire completed Manual Handling and Work Equipment part completed	Corporate Health and Safety Officer	31 March 2021



	<ul style="list-style-type: none"> <li>• Manual Handling Audit</li> <li>• Fire and Evacuation Audit</li> <li>• Homeworking</li> </ul>			
7	The contract for the Lone Worker Device expires in September 2020 and requires re-procurement. The Council will be trialling a number of alternative lone solutions.	Contract extended to Sept 2021	Corporate Health and Safety Officer	1 October 2020
8	Conflict resolution training to be provided to relevant officers.	Quotes obtained and training to be arranged Work In progress	Corporate Health and Safety Officer	31 March 2021
9	ICT Team to undertake work in connection with the on-line Warning Marker System	Delayed due to COVID 19 – new system should be available by December 2020	Corporate Health and Safety Officer	31 March 2021
10	Template of suite of documents to be used when setting up, delivering and monitoring projects have been produced. Cascade briefings are to be scheduled as Covid-19 response work dissipates and the Council go back to normalisation and recovery.	Cascade briefings are to be scheduled as Covid-19 response work dissipates and the Council go back to normalisation and recovery.	Head of Inward Investment	31 March 2021
11	The Councils insurance contract expires on 31 March 21. To continue to monitor impact of COVID 19 and the impact on delivery of this project.	Insurance programme put out to tender and new contract to be in place on 1 April 2021 <b>Action completed</b>	Corporate Risk Officer	1 April 2021

#### Key risk management developments 2020/2021:

The Risk Management Framework was reviewed, and Heads of Service and Directors were reminded of their 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 work required to assist with the national pandemic and community response and the inability to hold virtual meetings. However, managers have continued to provide updates required to the register.

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 and the risks rating reduced for some risks due to the implementation of the action plan and further control measures in place. The layout of the Corporate Risk Register was reviewed at the request of ELT.

Due to COVID 19 pandemic and the requirement of officers to provide assistance and support for the national emergency and community response the first meeting of the Corporate Risk Group was held in January 2021 however the Corporate Risk Officer has continued to delivered the work plan during this time.

<p>The Partnership Governance Framework and Partnership Register have been reviewed by Management Team and Audit and Risk Committee during the year however not within the timescale stated in the Partnership Governance Framework due to the work required to assist with the national pandemic and community response and the inability to hold virtual meetings . However, officer have continued to provide updates to the Corporate Risk Officer. The Partnership Register contents, and layout was reviewed during the year.</p>
<p>The Corporate Health and Safety Group meet on a quarterly basis and continue to monitor progress with priorities and work plan.</p>
<p>Safety Bulletins have been provided to all staff during the year and have primarily focused on providing advice and guidance in respect of COVID 19.</p>
<p>The Health and Safety Coordinators role continue to support the managers in carrying out the health and safety tasks in the monthly management cycle however this has been limited due to them currently not being in the office.</p>
<p>The Corporate Health and Safety Officer has delivered the following work in the last twelve months:</p> <ul style="list-style-type: none"> <li>• A COVID-19 risk assessment was undertaken for all our buildings and a COVID compliance team was established to ensure all service areas were COVID compliant</li> <li>• A Working-Safely document was produced to provide advice to employees returning to work. This covers the safety measures that the Council have introduced to ensure are buildings are COVID secure</li> <li>• COVID-19 Guidance on Carrying out Essential Visits was completed and sent to all managers</li> <li>• COVID-19 Guidance for First Aiders was developed to ensure first aiders are safe when delivering first aid</li> <li>• A COVID-19-Guide for New and Expectant Mothers was also developed</li> <li>• A COVID-19 Guide to PPE also completed as well as information on face coverings</li> <li>• Information and guidance was developed for employees who may be required to deal with cleaning the building following any employee who has Coronavirus symptoms</li> <li>• Managers bulletins continue to be produced on a monthly basis to support managers in carrying out the monthly management cycle checks. In addition, staff receive health and safety bulletins monthly these bulletins have focused on COVID related issues including Working Safely at Home as well as Mental Health and Wellbeing.</li> <li>• COVID audits have been completed on all our front facing buildings that have opened to members of the public</li> <li>• The Health and Safety Officer continues to offer support to all service areas to ensure they are COVID compliant</li> <li>• Work has also been undertaken to ensure that any events organised within the borough either by the council or external organisers are COVID compliant</li> <li>• A revisit health and safety audit was undertaken at the Waterways prior to it being handed over to the Access Community Trust</li> <li>• The warning marker and accident procedure was reviewed and is waiting implementation by ICT</li> <li>• New induction training was developed with HR and rolled out to new members of staff</li> <li>• Body cameras were rolled out for use by the Civil Enforcement Officers and Rangers</li> </ul>
<p>The following policies were reviewed and/or introduced:</p> <ul style="list-style-type: none"> <li>• Fire Safety</li> <li>• Legionella</li> <li>• Bomb, Suspicious Packages and Terrorism</li> </ul>

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.
The Corporate Health and Safety advisor has been involved with contributing to guidance on Event Safety for the Great Yarmouth Event Safety Advisory Group and managing event notification to ensure that events in the borough are carried out safely.
Risk management techniques continue to form part of the annual budget setting process.
The 'Corporate Project Board' (CPB) has overarching oversight of the projects and ensures quality delivery against the project, programme and budget. Highlight reports are submitted monthly and include risks and issues which are closely monitored. Project documentation will be stored in a project SharePoint site, alongside a project performance section including risk and issue monitoring and regularly reviewed.
<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"> <li>• 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 ongoing and expected to extend to the remainder of 2021 as social distancing restrictions unwind, vaccination continues, and outbreak management activities are embedded in business as usual activities.</li> <li>• Resilience processes, priorities and plans will be reviewed and amended as the pandemic moves from Response to Recovery. This work will be scheduled in the second half of 2021 and will focus on Business Continuity, Emergency Response and interaction with the Norfolk Resilience Forum and Norfolk Public Health.</li> </ul>
The insurance contract ended on 31 March 2021, therefore the insurance programme was put out to tender and the new contract commences on 1 April 2021. During this process the insurance arrangements were reviewed to ensure that there was adequate cover in place and the Councils assets protected.
The Corporate Risk Officer, Health and Safety Advisor and Resilience Officer are involved with contributing to guidance via the Great Yarmouth Event Safety Advisory Group, as well as providing advice on various projects / capital programmes in the borough.
The Corporate Risk Officer, Health and Safety Advisor and Resilience Officer have been significantly involved work in response to and providing advice and guidance to employees, volunteers and Councillors in connection with the COVID-19 pandemic. This work is expected to extend for a prolonged period and include a recovery phase.

#### **Issues to be addressed in Annual Report on Risk Management Arrangements 2021/2022:**

	<b>Issues to be addressed</b>	<b>Responsible Officer</b>	<b>Due Date</b>
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	Discussion to be held with insurance provider to identify insurance related training that can be provided to staff.	Corporate Risk Officer	Ongoing

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
4	<p>The Corporate Health and Safety Officer priorities are:</p> <ul style="list-style-type: none"> <li>• Continue to review guidance in respect of COVID and provide ongoing advice to all service areas</li> <li>• 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</li> <li>• Lone Worker device re-procurement. This was postponed for a year due the Corporate Health and Safety Officer role being vacant for several months</li> <li>• Simplifying the incident and warning marker procedure. Anecdotal evidence suggests some incidents are not being reported as the current incident reporting procedure is complex and time consuming</li> <li>• Review of PPE procurement to ensure uniformity across the council. This was carried forward from last year.</li> </ul>	Corporate Health and Safety Officer	31 March 2022
5	<p>Health &amp; Safety Audits will be undertaken for:</p> <ul style="list-style-type: none"> <li>• Crematorium</li> <li>• Work at height and confined spaces</li> </ul>	Corporate Health and Safety Officer	31 March 2022
6	<p>The following policies to be reviewed and implemented:</p> <ul style="list-style-type: none"> <li>• Work Equipment</li> <li>• Manual Handling</li> <li>• Health and Safety Policy</li> <li>• Driving Policy</li> <li>• Stress Policy</li> </ul>	Corporate Health and Safety Officer	31 March 2022
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
8	The contract for the Lone Worker Device devices expires in September 2021 and requires re-procurement. The Council will be trialling a number of alternative lone solutions.	Corporate Health and Safety Officer	1 October 2021
9	Conflict resolution training to be provided to relevant officers.	Corporate Health and Safety Officer	31 March 2022
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

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
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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  
June 2021

**Subject: Corporate Risk Register**

**Report to: Management Team – 13 May 2021**  
**Audit and Risk Committee – 14 June 2021**

**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 and to approve the revised layout of the Corporate Risk Register.

## **RECOMMENDATION**

1. That Committee review the Corporate Risk Register.
2. That Committee approve the revised layout of 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 February 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 Management Team in May 2021.
- 2.2 The risk matrix below shows how the risks identified in the Corporate Risk Register are distributed. There are currently 25 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 February 2021 there has been:

2 new risk added to the register:

24. Gaps in Insurance cover - insurers reducing cover in place with the result that Council assets may not be adequately covered and increasing reliance on self-insurance and re-allocation of reserves to mitigate the risk.
25. Impact termination of a contract (confidential risk)

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

1. Financial Stability
2. Reduced spending in Great Yarmouth
- 10b. Impact of EU exit trade deal
23. COVID 19 - Impact of response and recovery actions on the residents and businesses of the borough

The risk ratings for five risks have increased due to the additional risks in these areas:

9. Event Management – for large scale events held in the Borough
11. Management of Major Projects
- 12a. Reliance on key individuals and capacity of teams
- 12b. Resilience and capacity of staff
- 18a. Sufficient resources and resilience to ensure effective procurement Borough

#### RISK MATRIX

Likelihood	5				
	4	19 – Change Management	11 – Management of Major Projects 18b – Sufficient resources and resilience to ensure effective contract management 20 – Tree and Land Management	5 - Local/National Economy 8b – Cyber Security 12a – Reliance on key individuals and capacity of teams 12b – Resilience and capacity of staff 22 – IT systems capability and interaction	1 – Financial Stability 2 – Reduced spending in Great Yarmouth 3 - Flooding 4 – Flood defence and coastal protection 23 - COVID 19 - Impact of response and recovery actions on the residents and businesses of the Borough
	3		6a – Compliance with General Data Protection Regulations (GDPR) 7 - Information Security 8a - Data quality 16 - Infrastructure not being able to meet demand	9 - Event Management – for large scale events held in the Borough 13 – Unforeseen changes in government policies 14 - Delivery of long term strategic objectives 17 - Business improvement in the major leisure facilities under delivers 18a – Sufficient resources and resilience to ensure effective procurement 18b – Sufficient resources and resilience to ensure effective contract management 21 – Loss of Reputation	
	2		17 - Maintenance of five year housing supply and timescale for local plan 24 - Gaps in Insurance cover - insurers reducing cover in place with the result that Council assets may not be adequately covered	6b – GDPR impact on Payment Card Industry data security standards PCIDSS 10a - Business Continuity 10b – Impact of EU exit trade deal 15 - Lack of community cohesion / community tensions	25 – Impact termination of a contract
	1				
	1	2	3	4	5

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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

<b>Risk Rating Actions:</b>	
<b>Very High</b> 20 - 25	Risk outside risk appetite. Action required to reduce rating to an acceptable level
<b>High</b> 10 - 16	Risk outside risk appetite. Action required to maintain or reduce rating.
<b>Medium</b> 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
<b>Very Low</b> 1 - 4	Within risk appetite but kept under review. No further action required unless risk become more severe

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

### 3. FINANCIAL IMPLICATIONS

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 May 2021	A & R February 2021
Review Date:		A & R June 2021
Review By:		A & R Committee

Impact and Likelihood Matrix Explanation
Risks are rated by two factors:
<b>IMPACT</b> - the impact to the business of the identified risk should it be realised
<b>LIKELIHOOD</b> - 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	High 10
	1	Very Unlikely	Very Low 1	Very Low 2	Very Low 3	Medium 5

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				

				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)			
2	Reduced spending in Great Yarmouth	ELT	Reduction in spending / budget decisions of partner organisations  Consultation around spending reduction  Housing related support cuts Devolution	Unfunded activity / funding opportunities  Resources diverted from services Services have to be reduced / withdrawn  Inability to deliver strategic objectives Increased demand placed on borough council services Unmet demand	Working with partners to redesign and streamline service delivery / share resources  Working together to build capacity of communities Understanding and responding to proposals	4	5	20	Very High ←
3	Flooding	Head of Environmental Services & Head of Property & Asset Management &  Director of Planning & Growth	Flood event  Failure of flood barriers Surface water flooding	Disruption of commercial activity  Health and safety issues  Inability to deliver services	Emergency Response Plan / Recovery Plan  Business Continuity Plan  Surface Water Management Plan Local Plan Part 2 - emerging policy re: new development and flood risk  Norfolk Strategic Flood Alliance established  EA funding - covers tidal and coastal	4	5	20	Very High ↔
4	Flood defence and coastal protection	Head of Environmental Services & Head of Property & Asset Management & Director of Planning & Growth	Failure of flood and coastal defences  Sea Level Rise  Extending the length of river frontage for which the Council have responsibility – current proposal of de-manning by the Environment Agency  Significant erosion of cliffs during storm	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 Loss of property  Loss of environmental asset Lack of resources to fund maintenance on watercourses transferred from EA control Resources and financial implications to council for clear up	Working with businesses to improve awareness  Long term plan to review, repair and renew flood defences  Facilitation of community groups to work with coastal areas in relation to adaptations  Mott Macdonald Economic Business case is well established and agreed Local Plan Part 2 - addresses relocation schemes & future development  Long term plan to review, repair and renew flood defences – engaging with Coastal Partnership East and the Environment Agency Short term options for coastal erosion EA funding - covers tidal and coastal	4	5	20	Very High ↔
5	Local/National Economy	CEO	Downturn in national / local economy  Issue of Welfare Reform National Policy - changes on benefit	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  Corporate planning  Monitoring basket of key indicators  Communications Strategy Great Yarmouth Economic Growth Strategy review  Economic Recovery Plan	4	4	16	High ↔

6a	Compliance with UK General Data Protection Regulations (UK GDPR)	HoS / Senior Performance & Data Protection Officer /  Corporate Services Manager	Data breaches of personal information  Staff not completing their Data Protection training Some computer systems are not compliant with the new regulations regarding data deletion Records outside of their retention are retained at various offsite locations  Capacity to undertake data cleansing and deletion.	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  Fines and costs Reputational damage / bad publicity resulting from Data Breaches Insurance claims	Publication Data Protection Policy and creation of Records Management Policy, Data Impact Assessment Policy and Breach Notification Procedure  GDPR training provided to all staff and will be repeated annually. GDPR training also forms part of new starter induction 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 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-19 pandemic, which has led to a 1/3 of the Council's staff including the Data Protection Officer being redeployed to work as part of a coordinated response assisting the most vulnerable residents of the Borough. It was hoped that work could recommence from September 2020 however with current social distancing guidelines and protecting the health of Council staff being paramount this will not be possible. A review of the situation was undertaken in March 2021, as the national vaccine rollout is still in progress work is not yet able to recommence, a further review will be conducted in July 2021.	3	3	9	Medium  ↔
6b	UK GDPR impact on Payment Card Industry data security standards - PCIDSS	Head of Customer Services	Non compliance with regulations and security breaches  Non compliance with payment card transactions		Cash Management provider fully compliant  Implementation of Chip and Pin and call secure Completed  Self Assessment form to confirm compliance scheduled for core one	2	4	8	Medium  ↔
7	Information Security	HoS,  Corporate Services Manager &  IMT Manager	Good management, protection of information  Number of cases of lost information by public and private bodies Need to attain criteria set by government to retain information flow with DWP (Department Works Pensions)	DWP refuse to correspond with GYBC electronically Loss of capability to handle Housing Benefits and other issues  Information lost/mislaidd therefore loss of reputation and potential legal claim	Security Policy and Information Security manager in post  PSN Compliant / Accepted by DWP computer security (PSN) – Annual renewal  Realisation that information includes paper, people and computer  Monthly Governance Board meetings	3	3	9	Medium  ↔
8a	Data quality	HoS, IMT Manager &  Corporate Services Manager	Records not maintained accurately or securely	Inaccurate data used for decision making	IT security procedures and IT Security Policy  Data management & Data quality action plan	3	3	9	Medium  ↔
8b	Cyber Security	HoS, IMT Manager &  Corporate Services Manager	Data / systems hacked	Data not held securely  Loss of IT Systems and Loss of Information	IT security procedures and IT security policy  LGA Grant for Cyber Security and Cyber training  Information Technology Investment Group / Risk is a standing item Annual Cyber Security Health check undertaken by NCC  Cyber Insurance	4	4	16	High  ↔
9	Event Management - for large scale events held in the borough by a third party	Head Marketing & Communications	Failure of event / duty of care	Cancellation / suspension of event	ESAG Group, ESAG website and ESAG email address	3	4	12	High

		Head of Environmental Services		Major incident Reputational damage / bad publicity	Event Management Plan, Event Guidance and Guide to Councillors Member & Officer Groups Involvement / consultation of key officers Engagement of stakeholders Online Event Notification form and centralised mailbox					→
10a	Business Continuity	Head Marketing & Communications, Head of Environmental Services & IMT Manager	Loss of facilities (flooding, fire etc) Loss of IT systems Loss of reputation Loss of staff time and system functionality Loss of staff (fuel strike, industrial action etc) Loss of temporary accommodation provider	Service delivery impaired Inability to pay creditors/benefits Relocation of services Range of providers	Capability exists for staff to work from home and support key services Business Impact Assessments / 3rd Party Service Agreement The Loop - web-based programme and external provider Insurance Information Technology Investment Group Additional resource from NCC and monthly meetings with NCC to discuss SLA	2	4	8	Medium	↔
10b	Impact of EU exit trade deal	Head of Environmental Services & Heads of Services increased food costs	Travel disruption Disruption / increased demand of services More completed trade deal Increased costs and disruption of trade	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 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 enterprises on EU exit EU transition Group LEP area BREXIT forum Milestone to be met	2	4	8	Medium	←
11	Management of Major Projects	ELT	Failure of project or project overspend / over running Resourcing and capacity	Cancellation / suspension of project Reputational damage / bad publicity Failure to met government= guidelines for spending failure to met regeneration	Involvement / consultation of key officers Project and Programme Manager and Project Team. All PMO staff Prince 2 trained Business Case and Risk Register Suite of documents created for setting up &, delivering and monitoring projects Guidance on how to access assistance from Project Team and relevant service areas consulted at the outset Dedicated officer to manage the risk / issue and governance of all projects going forward, which can be followed / implemented by other team members. Strong local economy Agreed governance structure for management of project Recruitment drive to increase capacity within team	4	3	12	High	→
12a	Reliance on key individuals and capacity of teams	CEO	Departure of key individual Difficulty of recruitment Skills shortage Lack of resource to deliver Health & Safety Failure to comply with Health & Safety legislation and corporate approach not consistently applied	Skills lost Negative impact on capacity of other staff Lack of delivery of service objectives Buying in of consultancy/temporary staff Fines and costs Increased demand for services and scarcity of labour	Recruitment drive to fully staff and up resource new programmes if work BC Plan for single points of failure Organisational Development Plan Personal reviews Succession Planning Business Strategy OD programme New sharing and partnership arrangements for health and safety, emergency planning and coastal management to improve resilience in these key areas. Creation of Health & Safety Co-Ordinators and H & S hours provided by NCC increased	4	4	16	High	→

12b	Resilience and capacity of staff	Heads of Services	Staff workload levels increased due to impact of responding to Covid pandemic and maintaining business as usual.	Increased sickness absence  Reduced productivity  Delays in delivery of services	Monitoring of workload of staff at service, team and individual level  Employee Support Scheme and other wellbeing support  Maximisation of external funding to support service delivery  Additional short term staff resource (where possible)  Prioritisation of tasks  Risk based approach	4	4	16	High →
13	Unforeseen 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	3	4	12	High ↔
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	Short term thinking  Difficulty in taking hard decisions  Non delivery of strategic objectives	Medium Term Financial Strategy  Service Planning  Corporate plan & Annual Action Plan  Pathway to Recovery Plan (COVID 19)    Great Yarmouth Economic Growth Strategy Local Plan Core Strategy adopted and Local Plan Part 2 emerging (to 2030)  Investment (Town Deal / Future High street Fund Etc) Business Strategy	3	4	12	High ↔
15	Lack of community cohesion / community tensions	Strategic Director – P Boyce	Social changes / immigration / increase in unemployment  Financial hardship cases increase due to impact of COVID-19  Clinically Extremely Vulnerable (CEV) residents and Potentially Vulnerable People (PVP) requiring additional support to self-isolate and stay safe owing to COVID-19	Increased reliance on benefits  Increase neighbourly tensions/disputes owing to Lockdown measures  Lack of confidence to socially interact owing to COVID   Increased joblessness Increased homelessness  Pressure on health, social care & welfare services  Issues with equality of access to services Increased crime rates and an increase in hate crime	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).  Neighbourhood 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	2	4	8	Medium ↔
16	Infrastructure not being able to meet demand	Director of Planning & Growth & CEO	New development (commercial and housing)	Increased traffic congestion	Local Plan / Infrastructure Plan	3	3	9	Medium

				Lack of services (education/health/social)  Stalling of further investment	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 being adopted Summer 2021  GY Transport & Infrastructure Steering Group established and meet regularly  Part of Norfolk Growth Group to discuss infrastructure issues across county & strategic planning framework				↔
17	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	2	3	6	Medium  ←
18a	Sufficient resources and resilience to ensure effective procurement.	Finance Director & Monitoring Officer	Corporate procurement approach not consistently adopted	Benefits of procurement strategy not realised  Efficiency savings not made or contract fail  Procured service not value for money  Procured service is poor	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	Finance Director	Failure to managed contract performance and corporate approach not consistently adopted	Breach of EU legislation  Increase budgets  Contract disputes Fines and costs	Staff training to dedicate contract management roles and guidance on Intranet  Consistent management and publication of Contract Register  Contract Management Strategy and standing orders Performance monitoring and reporting to ensure good service quality and better value for money VfM Confidence assessments Appropriate governance principals and risk management in place - Risk Register  Dedicated contract management roles within services to improve accountability & capacity for managing major contracts Role of contract manager defined Ensure compliance with legislation / regulations and Councils processes and procedures	4	3	12	High  ↔
19	Change Management	Head of Organisational Development	Key changes managed ineffectively	Service delivery is affected during implementation  Staff resource needed to undertake review  Council fails to capitalise on opportunity Targets not achieved  Funding is missed Resources wasted  Loss of key staff & staff morale	Business Strategy and Change Management Policy  Application of a formal programme management framework  Monitoring of project plan Ongoing assessment of the project risks  Organisation Development Plan Departmental Managers Meetings  Staff Engagement Group and programme	4	2	8	Medium  ↔

20	Tree and Land management	Head of Property & Asset Management & Head of Environmental Services	Failure to managed tree inspection and land management	Insurance claims and increased insurance premiums  Clarity on ownership of land across the Borough	A review of current inspection policy to ensure compliance with best practice  To include all amenity land within the Concerto Asset Database to provide a comprehensive database of ownership. Tree Strategy currently being reviewed	4	3	12	High ↔
21	Loss of Reputation	ELT / Head of Marketing & Communications	Lack of transparency in decision-making process Factually incorrect or negative media reporting Inability to attract investment	Lack of trust from residents  Loss of confidence from investors and key partners  Lack of sense of pride in the Place	Clear & accurate committee reports with recorded decisions available in the public domain. Maintenance of a timely and effective relationship with representatives of the media/press. Clear communications plans in place to promote the council's Corporate Priorities & also for projects.  Transparent stakeholder engagement incl. planning and evidence-gathering.	3	4	12	High ↔
22	IT systems capability and interaction	Management Team  IMT Manager	Some system will no longer be supported / maintained by the IT provider. Therefore has become unfit for purpose and causing service interruptions and issues	System costs are disproportionately costly based on functionality of system  Upgrades costly  Week in arrears - loss of possession cases due to the way information is held Service interruptions and issues - resource implications  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.	Aware of limitations of systems  Procurement of new systems  Internal processes to manage  Using as effectively as can and aware of weaknesses  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	4	4	16	High ↔
23	COVID 19 - Impact of response and recovery actions on the residents and businesses of the Borough	ELT	Continued support of vulnerable residents (food, medication)  Supporting local businesses and Tourism industry.  Complex housing needs Delivery of key services remotely or by emergency support only Social cohesion/well-being  Social distancing Continuity of services delivered by partners.	High level of business failure and unemployment  Increased homelessness and housing needs  Financial and staff required for long term support of vulnerable residents Revised operating model for GYBC driven by prolonged social distancing. Reduced social cohesion Impact of responding to the pandemic and the re-allocation of resources internally Longer term impact to the local economy and the Council's financial position	Working as part of the Norfolk Resilience Forum, and countywide Delivery Groups/Cells and their workstreams, to manage response and recovery actions.  Collaborative working in the locality with VCSE and other commissioned community-facing organisations to support residents with low level (welfare and housing) needs.	4	5	20	Very High ←
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



**Subject: Code of Corporate Governance**

**Report to: Management Team – 13 May 2021**

**Audit and Risk Committee - 14 June 2021**

**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 good progress has been made in further embedding the Code of Corporate Governance with deadlines and responsible officers for future action during 2021/22 incorporated into the document.
- 5.2 Where further action has been identified progress reports will be requested from responsible officers during the year.

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

<b>Area for consideration</b>	<b>Comment</b>
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

<b>Author</b>	<b>Corporate Risk Officer</b>
<b>Date</b>	<b>April 2021</b>
<b>Document Status</b>	<b>Version 10 – Final</b>

## **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**

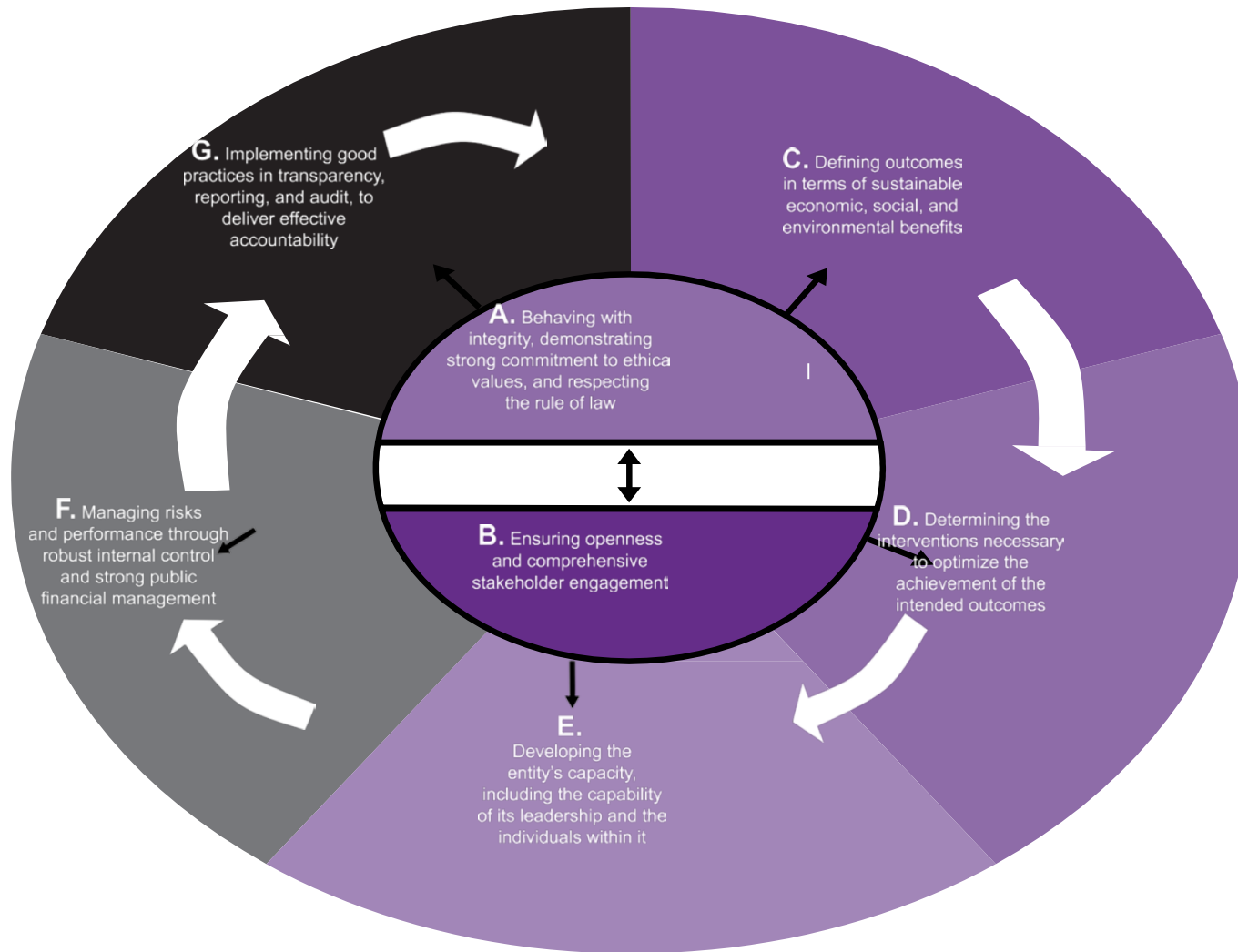
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **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.



## 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.

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Behaving with integrity</b>				
<ul style="list-style-type: none"> <li>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</li> <li>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)</li> <li>Leading by example and using the above standard operating principles or values as a framework for decision making and other actions</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>The Council's Constitution</li> <li>Councils Vision and Core values</li> <li>Members code of conduct / induction / training</li> <li>Register of members interest</li> <li>Declaration of interest guidance</li> <li>Employees code of conduct / register of interests and gifts and hospitality</li> <li>Agreed Behaviours Framework</li> <li>HR Policies and procedures e.g. Grievance policy and procedure</li> <li>Financial regulations and standing orders</li> <li>Contract procedure rules / Procurement Strategy - Adopted Chartered Institute of Procurement &amp; Supply (CIPS) Code of Ethics</li> <li>Scheme of delegation</li> <li>Statutory roles</li> <li>Whistleblowing Policy and Anti Fraud, Corruption and Bribery Policy. Policies published on Internet and The Loop and reviewed on an annual basis. Annual reminder via email, The Loop and internal newsletter to all staff to raise awareness of policy</li> <li>Complaints and Compliments procedure</li> <li>Staff learning hours</li> <li>Performance Management Framework</li> <li>Data Handling &amp; Security Breaches</li> <li>Freedom of information (FOI) system &amp; procedures</li> <li>Local Code of Corporate Governance updated annually and action plan reviewed ½ yearly</li> </ul>	<p>The Officer Register of Gifts and Hospitality process is currently being reviewed and further work is to be undertaken to raise awareness and ensure compliance.</p> <p>Updated Procurement Strategy to be produced</p>	<p>Corporate &amp; Democratic Services Manager</p> <p>Finance Director</p>	<p>Ongoing</p> <p>September 2021</p>



The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub – Principle - Demonstrating strong commitment to ethical values</b>				
<ul style="list-style-type: none"> <li>• Seeking to establish, monitor and maintain the Council's ethical standards and performance</li> <li>• Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council's culture and operation</li> <li>• Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Council's Constitution</li> <li>➤ Council's vision and core values</li> <li>➤ Members code of conduct</li> <li>➤ Officers code of conduct</li> <li>➤ Agreed Behaviours Framework</li> <li>➤ HR Policies and procedures</li> <li>➤ Anti Fraud, Corruption and Bribery Policy. Published on Internet and The Loop and reviewed on an annual basis. Annual reminder via email, The Loop and internal newsletter to all staff to raise awareness of policy</li> <li>➤ Complaints and Compliments procedure</li> <li>➤ Partnership Governance Framework</li> <li>➤ Scheme of delegation</li> <li>➤ Standing Orders</li> <li>➤ Contract procedure rules / Procurement Strategy - Adopted Chartered Institute of Procurement &amp; Supply (CIPS) Code of Ethics.</li> </ul>			

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub – Principle - Respecting the Rule of Law</b>				
<ul style="list-style-type: none"> <li>Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> <li>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</li> <li>Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> <li>Dealing with breaches of legal and regulatory provisions effectively</li> <li>Ensuring corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>Council vision and core values</li> <li>The Council's Constitution</li> <li>Members induction and training</li> <li>Scheme of delegation</li> <li>Role of the Monitoring officers as per the constitution</li> <li>Anti fraud, Corruption and Bribery policy, Anti Money Laundering Policy and Whistleblowing Policy. Policies are published on The Loop and Internet and reviewed on an annual basis. Annual reminder via email, The Loop and internal newsletter to raise awareness to all staff</li> <li>Formal complaints and compliment procedure</li> <li>Staff are required to hold relevant professional qualifications and comply with the law and codes of conduct.</li> <li>Subscriptions to services to ensure staff are provided with appropriate professional support</li> <li>HR policies and procedures</li> <li>Standing Orders</li> <li>Availability of professional legal advice</li> <li>Report templates / positive sign off – increased consultation at pre report stage enables issues to be fully explored before report is put to Members</li> </ul>	Consistency in the format of reporting to committees and clarity of decision making.	Monitoring Officer	Ongoing

## 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

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub Principle – Openness</b>				
<ul style="list-style-type: none"> <li>Ensuring an open culture through demonstrating, documenting and communicating the council's commitment to openness</li> <li>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</li> <li>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</li> <li>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action</li> </ul>	<ul style="list-style-type: none"> <li>'The Plan' - Corporate Plan 2020 - 2025</li> <li>Annual Action Plan - review &amp; publish annual basis</li> <li>Local Plan</li> <li>Council's vision and core values</li> <li>Agreed Behaviours Framework</li> <li>Council Website</li> <li>The Council's Constitution</li> <li>Internal Audit</li> <li>Committee system, agenda, report template &amp; minutes.</li> <li>Audit and Risk Committee</li> <li>Meetings held in private where necessary</li> <li>Record of decisions and supporting materials</li> <li>Decision list published</li> <li>Scheme of Delegation</li> <li>Forward planning</li> <li>FOI Policy statement and Publication Scheme</li> <li>Data champions</li> <li>Register of member interests</li> <li>Statement of Accounts</li> <li>Corporate Communications Strategy</li> <li>Tenant &amp; Leaseholder Satisfaction Surveys</li> <li>Resident and User Surveys / Online feedback</li> <li>Equality Impact Assessment Tool (EqIA) / Annual report on progress against equality objectives for ELT &amp; P&amp;R approval</li> <li>Quarterly Projects and Measures</li> <li>Performance Report</li> <li>Customer Service Charter embedded within the Council &amp; performance measures. Introduction &amp; awareness of these standards are in place for new employees</li> </ul>	Customer Services Charter ongoing awareness session to be undertaken with teams across the organisation through 2021/22	Head of Customer Services	March 2022
		Review of customer services reception and face to face facilities operating model	Head of Customer Services	May 2021

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Engaging comprehensively with institutional stakeholders</b>				
<ul style="list-style-type: none"> <li>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</li> <li>Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>Ensuring that partnerships are based on: <ul style="list-style-type: none"> <li>– trust</li> <li>– a shared commitment to change</li> <li>– a culture that promotes and accepts challenge among partners</li> </ul> and that the added value of partnership working is explicit</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Council's Constitution</li> <li>➤ Local Plan</li> <li>➤ Consultation</li> <li>➤ 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.</li> <li>➤ Partnership Governance Framework</li> <li>➤ Service Level Agreements</li> <li>➤ Advice given to members in relation to outside bodies – see role of Councillors in Constitution</li> <li>➤ Consultation with unions</li> <li>➤ Corporate Communications Strategy</li> <li>➤ Parish Liaison meetings</li> <li>➤ Open forums</li> <li>➤ Networking</li> <li>➤ Parish meetings</li> </ul>	<p>Outside Bodies membership roles and responsibilities – to be reviewed prior to Council in May 2021 with the aim to have terms of reference for all Outside Bodies and a potential training session for Members to understand their responsibilities.</p>	<p>Corporate &amp; Democratic Services Manager</p>	<p>May 2021</p>

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Engaging with individual citizens and service users effectively</b>				
<ul style="list-style-type: none"> <li>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.</li> <li>Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</li> <li>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</li> <li>Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account</li> <li>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>Taking account of the impact of decisions on future generations of tax payers and service users</li> </ul>	<ul style="list-style-type: none"> <li>➤ 'The Plan' - Corporate Plan 2020 – 2025</li> <li>➤ Annual Action Plan - reviewed and published on an annual basis</li> <li>➤ Local Plan</li> <li>➤ Area Committees / Parish meetings</li> <li>➤ Consultation</li> <li>➤ Networking</li> <li>➤ Online feedback</li> <li>➤ Community Impact Assessment</li> <li>➤ Communication handbook / tenant involvement web-page</li> <li>➤ Tenants Satisfaction Surveys</li> <li>➤ Resident and User Surveys</li> <li>➤ Equality Impact Assessment Tool (EqIA) / Annual report on progress against equality objectives for ELT and P &amp; R approval</li> <li>➤ Corporate Communications Strategy is in place and supports the Council's six Corporate Priorities.</li> <li>➤ Compliments and Complaints procedure</li> <li>➤ COVID 19 Pandemic - communication and engagement with residents via the various media methods to ensure that they are fully informed</li> </ul>	<p>An online version of the Borough News 2021/2022</p> <p>Development of Resident Engagement Strategy with residents of the Council's estates and homes.</p> <p>Currently reviewing the EqIA paperwork and guidance. Work on the Council's equality objectives will take place when the new corporate plan is developed. Strategy and Action Plan to be agreed.</p>	<p>Head of Communications &amp; Marketing</p> <p>Housing Director</p> <p>Head of Organisational Development</p>	<p>Ongoing</p> <p>December 2021</p> <p>Ongoing</p>

## 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

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub -Principle - Defining outcomes</b>				
<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Delivering defined outcomes on a sustainable basis within the resources that will be available</li> <li>• Identifying and managing risks to the achievement of outcomes</li> <li>• Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul>	<ul style="list-style-type: none"> <li>➤ 'The Plan' - Corporate Plan 2020 – 2025</li> <li>➤ Annual Action Plan – reviewed and published on an annual basis. Plan incorporates Performance Indicators</li> <li>➤ Business Strategy</li> <li>➤ Council's Vision and Core values</li> <li>➤ Executive Leadership Team</li> <li>➤ Risk Management Framework and procedures</li> <li>➤ Corporate Risk Register</li> <li>➤ Statement of Accounts</li> <li>➤ Annual Financial Report</li> <li>➤ Annual Corporate Planning and performance cycle</li> <li>➤ Annual Performance Report</li> <li>➤ Capital programme process</li> <li>➤ Capital Strategy</li> <li>➤ Corporate Communications Strategy</li> </ul>			

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Sustainable economic, social and environmental benefits</b>				
<ul style="list-style-type: none"> <li>• Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</li> <li>• 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</li> <li>• 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</li> <li>• Ensuring fair access to services</li> </ul>	<ul style="list-style-type: none"> <li>➤ 'The Plan' - Corporate Plan 2020 – 2025</li> <li>➤ Annual Action Plan - reviewed and published on an annual basis</li> <li>➤ Local Plan</li> <li>➤ Consultation</li> <li>➤ Annual Statement of Accounts</li> <li>➤ External Audit reports</li> <li>➤ Community impact assessments</li> <li>➤ Annual Financial Report Annual Performance Reporting</li> <li>➤ Consultation strategy</li> <li>➤ Capital programme process</li> <li>➤ Equality Impact Assessment Toolkit / Annual report on progress against equality objectives for ELT and P &amp; R approval</li> <li>➤ Risk Management Framework</li> <li>➤ Report template requires that consultation is undertaken with S151 and Monitoring officers before report is considered by Members.</li> </ul>			

## 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.

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub -Principle – Determining interventions</b>				
<ul style="list-style-type: none"> <li>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.</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>➤ 'The Plan' - Corporate Plan 2020 – 2025</li> <li>➤ Annual Action Plan - reviewed and published on an annual basis</li> <li>➤ Corporate Plan consultation</li> <li>➤ Business cases</li> <li>➤ Community Impact Assessment</li> <li>➤ Equality Impact Assessment Toolkit / Annual report on progress against equality objectives for ELT and P &amp; R approval</li> <li>➤ Tenants and Leaseholder Satisfaction Surveys</li> <li>➤ Resident and User Surveys</li> <li>➤ Online Surveys</li> <li>➤ Partnership Governance Framework and Partnership Register</li> </ul>	<p>To review EqIA paperwork and guidance. Work on the Council's equality objectives will take place when the new corporate plan is developed.</p>	<p>Head of Organisational Development</p>	<p>Ongoing</p>



The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub – Principle - Planning interventions</b>				
<ul style="list-style-type: none"> <li>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</li> <li>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> <li>Considering and monitoring risks facing each partner when working collaboratively, including shared risks</li> <li>Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances</li> <li>Establishing 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 measured</li> <li>Ensuring capacity exists to generate the information required to review service quality regularly</li> <li>Preparing budgets in accordance with objectives, strategies and the medium term financial plan</li> <li>Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</li> </ul>	<ul style="list-style-type: none"> <li>➤ 'The Plan' – Corporate Plan 2020 – 2025</li> <li>➤ Corporate Plan consultation</li> <li>➤ Annual Action Plan – reviewed and published on an annual basis. Plan incorporates Performance Indicators</li> <li>➤ Planning process</li> <li>➤ Partnership Governance Framework</li> <li>➤ Consultation</li> <li>➤ Community Impact Assessment</li> <li>➤ Corporate Communications Strategy</li> <li>➤ Project and Programme Team and project guidance</li> <li>➤ Development of Share Point</li> <li>➤ Tenant and Leaseholder Satisfaction Surveys</li> <li>➤ Resident and User Surveys</li> <li>➤ Online Surveys</li> <li>➤ Service Improvement Plans</li> <li>➤ Employee Surveys</li> <li>➤ Financial regulations</li> <li>➤ Medium Term Financial Strategy and Business Strategy</li> <li>➤ Budget Monitoring / Line by Line review of Revenue Budget</li> </ul>			

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub – Principle - Optimising achievement of intended outcomes</b>				
<ul style="list-style-type: none"> <li>Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</li> <li>Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> <li>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.</li> <li>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'</li> </ul>	<ul style="list-style-type: none"> <li>➤ 'The Plan' - Corporate Plan 2020 - 2025</li> <li>➤ Annual Action Plan - reviewed and published on an annual basis</li> <li>➤ Risk Management Framework</li> <li>➤ Corporate Risk Register</li> <li>➤ Annual Financial Report</li> <li>➤ Annual Performance Report</li> <li>➤ Medium Term Financial Strategy and Business Strategy</li> <li>➤ Executive Leadership Team / Management Team</li> <li>➤ Business Continuity Plans</li> <li>➤ Emergency Planning</li> <li>➤ Financial Regulations</li> <li>➤ Line by Line reviews of Revenue Budget</li> <li>➤ Service Improvement Plans</li> </ul>			

### 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.

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Developing the Council's capacity</b>				
<ul style="list-style-type: none"> <li>Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>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</li> <li>Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> <li>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> </ul>	<ul style="list-style-type: none"> <li>'The Plan' - Corporate Plan 2020 - 2025</li> <li>Annual Action Plan - reviewed and published on an annual basis</li> <li>Councils vision and Core Values</li> <li>Partnership Governance Framework and Partnership Register</li> <li>Recruitment and Selection Policy and Toolkit</li> <li>Workforce Development Strategies</li> <li>Organisational Development Plans</li> <li>Learning and Development Strategies</li> <li>Corporate Induction Course</li> <li>Elected member learning and development programme</li> <li>Digital and IT Strategy</li> <li>Planning Process</li> <li>Annual Financial Report</li> <li>Annual Performance Reporting</li> <li>Corporate Risk Register</li> <li>Line by line reviews of Revenue Budgets</li> </ul>	<p>Organisational Development Strategy and Action Plan to be finalised and presented to Members for approval</p> <p>Digital Strategy review and alignment to future ways of working</p>	<p>Head of Organisational Development</p> <p>IMT Manager</p>	<p>July 2021</p> <p>Ongoing - to be completed by 2022</p>

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub – Principle - Developing the capability of the Council's leadership and other individuals</b>				
<ul style="list-style-type: none"> <li>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</li> <li>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Council's vision and core values</li> <li>The Council's Constitution</li> <li>Scheme of delegation</li> <li>Committee terms of reference</li> <li>Members code of conduct</li> <li>Member induction / training and development</li> <li>Officers code of conduct</li> <li>Protocol on member / officer relations</li> <li>Corporate Induction</li> <li>Organisational Development Plan</li> <li>Personal Development Review Objectives and personal development plans are established for staff at all levels</li> <li>Agreed Behaviour Framework</li> <li>Performance Management Framework</li> <li>Monthly 1 to 1</li> <li>Role of Internal Audit</li> <li>Finance Director member of Executive Leadership Team</li> <li>Standing Orders and Financial Regulations are periodically reviewed.</li> </ul>	Review of the PDR and 1-2-1 process	Head of Organisational Development	August 2021

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<ul style="list-style-type: none"> <li>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"> <li>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</li> <li>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</li> <li>ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> </ul> </li> <li>Ensuring that there are structures in place to encourage public participation</li> <li>Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</li> <li>Holding staff to account through regular performance reviews which take account of training or development needs</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Job descriptions / Conditions of Employment</li> <li>Formal appraisal process for all members of Management Team</li> <li>Elected Members learning and development strategy</li> <li>Online feedback</li> <li>HR Policies and procedures</li> <li>Occupational Health Service</li> <li>Employee Assistance Programme</li> <li>Healthy working initiatives</li> <li>Promote and participation in Active Norfolk Workplace Challenge</li> <li>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</li> </ul>			

## 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.

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub -Principle - Managing Risk</b>				
<ul style="list-style-type: none"> <li>Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</li> <li>Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul>	<ul style="list-style-type: none"> <li>➤ Risk Management Framework</li> <li>➤ Corporate Risk Register - each risk is allocated to individual responsible owners</li> <li>➤ Corporate risk evaluated on a quarterly basis.</li> <li>➤ Corporate Risk Group</li> <li>➤ Service Improvement Plans - Services to maintain a watching brief on all operational level risks.</li> <li>➤ Audit &amp; Risk Committee, work plan, agenda, reports &amp; minutes</li> <li>➤ Committee report template</li> <li>➤ Annual Risk Management Report</li> <li>➤ Risk Management &amp; Health &amp; Safety training</li> <li>➤ Risk Management is an agenda item on all Corporate and Service meetings</li> <li>➤ Project and Programme Team and project Guidance</li> <li>➤ Health and Safety Sub Group / Safety bulletins</li> <li>➤ Monthly Health and Safety Management Cycle</li> <li>➤ Health and Safety policies</li> <li>➤ Health and Safety Co-Ordinators</li> <li>➤ Business Continuity Planning</li> <li>➤ Annual Action Plan - reviewed &amp; published</li> <li>➤ Audit Reports / Action Plans</li> <li>➤ Warning Marker System</li> </ul>	Warning Marker System has been reviewed. ICT to complete reworking of the system to allow it to be implemented.	Corporate Health & Safety Advisor	Sept 2021

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Managing Performance</b>				
<ul style="list-style-type: none"> <li>Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</li> <li>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</li> <li>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)</li> <li>Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</li> <li>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Annual Financial Report</li> <li>➤ Committee agendas, reports and minutes</li> <li>➤ Customer feedback, Resident and User Surveys</li> <li>➤ Online feedback</li> <li>➤ Internal Audit Reports</li> <li>➤ Performance Management Framework</li> <li>➤ Quarterly Projects and Measures Performance Report</li> <li>➤ Annual Performance Report</li> <li>➤ Annual Action Plan- reviewed and published on an annual basis. Plan incorporates Performance Indicators</li> <li>➤ Service Improvement Plans includes review Performance Indicators</li> <li>➤ Self Assessment Assurance Statement</li> <li>➤ Risk Management Framework</li> <li>➤ Line by line reviews of Revenue budgets</li> <li>➤ Financial Regulations</li> <li>➤ Medium term Financial Strategy</li> <li>➤ Quarterly reporting of Corporate Risk Register to Management Team</li> <li>➤ 6 monthly reporting Corporate Risks to Audit &amp; Risk Committee</li> <li>➤ The quarterly 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</li> </ul>			

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Robust internal control</b>				
<ul style="list-style-type: none"> <li>Aligning the risk management strategy and policies on internal control with achieving objectives</li> <li>Evaluating and monitoring risk management and internal control on a regular basis</li> <li>Ensuring effective counter fraud and anti-corruption arrangements are in place</li> <li>Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</li> <li>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"> <li>provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>that its recommendations are listened to and acted upon</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Risk Management Framework and procedures. Framework subject to annual review.</li> <li>Corporate Risk Register. Risks are subject to quarterly reviews by management.</li> <li>Audit and Risk Committee</li> <li>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</li> <li>Anti Fraud, Corruption and Bribery Policy, Anti Money Laundering Policy and Whistleblowing Policy. Policies are published on The Loop and Internet and reviewed on an annual basis. Annual reminder via email, The Loop and internal newsletter to raise awareness to all staff.</li> <li>The Council takes part in national initiatives to reduce the potential for fraud and to identify fraud that may have occurred</li> <li>Internal Audit plans are developed and the Internal Audit Service is resourced according to these plans</li> <li>Internal Audit Annual Report</li> <li>Annual Governance Statement</li> <li>Service Improvement</li> <li>Budget Control</li> <li>Standing orders</li> <li>Local Code of Corporate Governance</li> <li>Scheme of Delegation</li> </ul>	<p>GYBC have signed up to the NCC Fraud HUB Initiative. Officers provided with access to website and work progressing but activity to develop further has been slow.</p>	<p>Head of Customer Services</p>	<p>Ongoing</p>



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

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Strong public financial management</b>				
<ul style="list-style-type: none"> <li>Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</li> <li>Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</li> </ul>	<ul style="list-style-type: none"> <li>➤ 'The Plan' - Corporate Plan 2020 - 2025</li> <li>➤ Annual Action Plan - reviewed and published on an annual basis</li> <li>➤ The Council's Constitution</li> <li>➤ Medium Term Financial Strategy</li> <li>➤ Financial Regulations</li> <li>➤ Annual Financial Report</li> <li>➤ Annual Performance Reporting</li> <li>➤ 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.</li> <li>➤ Annual Audited Statement of Accounts</li> <li>➤ Planning Policy / process</li> <li>➤ Service Improvement Plans</li> <li>➤ Report template requires that consultation is undertaken with S151 officer before considered by Members</li> </ul>			

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.				
The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Implementing good practice in transparency</b>				
<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>➤ Committee agenda, papers, report template and minutes</li> <li>➤ All reports are available for the public to review from the Council's website with contact details for key officers prominently placed</li> <li>➤ Freedom of Information Policy statement and Publication Scheme</li> <li>➤ Forward planning</li> <li>➤ Report writing training</li> <li>➤ Corporate Communications Strategy</li> <li>➤ Council website</li> </ul>	Publication scheme and transparency requirements	Monitoring Officer	June 2021

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Implementing good practices in reporting</b>				
<ul style="list-style-type: none"> <li>• Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</li> <li>• Ensuring members and senior management own the results reported</li> <li>• 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)</li> <li>• Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate</li> <li>• 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 organisations</li> </ul>	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ Annual External Audit Report and Letter</li> <li>➤ Internal Audit Reports</li> <li>➤ Annual Governance Statement provides a key oversight of the Council’s governance arrangements and how these can be developed</li> <li>➤ Partnerships / Shared Services are subject to separate legal agreements</li> <li>➤ The Council’s companies each have their own corporate governance framework</li> <li>➤ Annual Financial Report</li> <li>➤ Annual Performance Reporting</li> <li>➤ Partnership Governance Framework and Partnership Register</li> <li>➤ Committee agendas, reports and minutes</li> <li>➤ Service Improvement Plans</li> <li>➤ Local Code of Governance annual and 6 monthly review. Further on going work is incorporated into the Annual Governance Framework</li> <li>➤ 6 monthly Corporate Risk Report to Audit and Risk</li> <li>➤ Quarterly finance reports to Policy and Resources and Housing and Neighbourhoods Committee</li> <li>➤ Significant areas of concern would be referred to the relevant committee for Members and officers to collaboratively review how service performance can be improved</li> <li>➤ Reporting to Housing &amp; Neighbourhoods Committee in regard to Regulator of Social Housing Consumer Standards and Rent Standard compliance</li> </ul>			

The behaviours and actions that can demonstrate this:	Source documents	Further work on-going	Responsible Officer(s)	Deadline
<b>Sub - Principle - Assurance and effective accountability</b>				
<ul style="list-style-type: none"> <li>• Ensuring that recommendations for corrective action made by external audit are acted upon</li> <li>• 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</li> <li>• Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> <li>• Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</li> <li>• Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met</li> </ul>	<ul style="list-style-type: none"> <li>➤ Recommendations made by external and internal auditors are reported to the Audit &amp; Risk Committee on a periodic basis, with reports then produced on how these recommendations have been progressed and implemented.</li> <li>➤ The Internal Audit Manager has access to report directly to the Audit &amp; Risk Committee with outcomes from her work and any key concerns she may have</li> <li>➤ Annual Internal Audit Report and Work plan submitted to ELT and Audit &amp; Risk (A &amp; R)</li> <li>➤ Progress of audit recommendations monitored by Executive Leadership Team</li> <li>➤ Partnership Governance Framework and Partnership Register</li> <li>➤ Each partnership will design its own terms of reference / legal framework / constitution as appropriate. It would be the GYBC lead officer to ensure that is fits with the Council's current corporate priorities / plans</li> <li>➤ Risk Management Framework / Procedures</li> <li>➤ Council meetings</li> <li>➤ Audit and Risk committee</li> <li>➤ Standing Orders</li> <li>➤ Scheme of Delegation</li> <li>➤ Local Code of Governance annual and 6 monthly review</li> <li>➤ Annual Governance Statement (AGS)</li> <li>➤ 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 to be identified</li> </ul>			

**Subject: ANNUAL GOVERNANCE STATEMENT 2020/2021**

**Report to: Management Team – 13 May 2021**

**Audit and Risk Committee – 14 June 2021**

**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 2020/21 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 2020 / 2021 and actions that will be taken to address these areas of concern during 2021 / 2022.
- 2.2 Some of the sections in the AGS are to be finalised pending the receipt of the Head of Internal Audit report for 2020/21, these will be updated verbally at the meeting.

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

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



<b>Author</b>	<b>Corporate Risk Officer</b>
<b>Date</b>	<b>June 2021</b>
<b>Document Status</b>	<b>Draft</b>



## **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 2021/2022. This is due to be reported to the Audit and Risk Committee in June 2021.

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 2020/21.

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 further work is to be undertaken to raise awareness and ensure compliance.

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

The Council's Scheme of Delegation designates the Chief Executive as the Council's Head of Paid Service. The Scheme of Delegation sets out the extent of delegations made to Committees and officers under the principle that decisions should be made at the lowest or most local level consistent with the nature of the issues

involved. The Council also has Financial Regulations, Standing Orders and Contract Procurement Protocol relating to contracts in place and all of these procedural documents are regularly reviewed.

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

The Monitoring Officer is employed via a secondment agreement with Norfolk County Council with the provision of legal services being via an agreement with nplaw.

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.

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

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

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

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

The Anti-Fraud, Corruption and Bribery, Whistleblowing and Anti-Money Laundering Policies were reviewed during 2020/2021 and are published on The Loop and the Council's website. An annual email reminder is sent to all staff and members.

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

## **B. Ensuring openness and comprehensive stakeholder engagement**

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

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

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

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

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

The council operates a committee system of governance and each committee has clear responsibilities requiring them to work closely with senior and other employees so as to achieve the Council's ambitions. Meetings are open to the public except where personal or confidential matters are being discussed. In addition, senior and other officers of the Council can make decisions under delegated authority – again the extent of these delegations is set out in the Constitution.

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

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

The Council works in partnership with other organisations to deliver the Council's aims, policies and objectives. Partnerships are regulated by partnership agreements and service level agreements. The Partnership Governance Framework and Partnership Register were reviewed in 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.

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

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk-based approach where required. The Equality Impact Assessment paperwork & guidance is to be review and work on the Council's equality objectives will take place in 2021/2022.

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.

Awareness sessions of the Customer Service Charter are to be held with teams across the organisation through 2021/2022. The customer services reception and face to face facilitates operating model is to be reviewed during 2021/2022.

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

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

Various media methods have been used during the COVID 19 pandemic to engage with and ensure that the community / residents are fully informed.

An on-line version of the Borough News is planned for 2021/2022.

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

A Resident Engagement Strategy is to be developed in 2021/2022 with residents of the Council's estates and homes. The development of the strategy was delayed due to the national lockdowns and COVID 19 pandemic in 2020/2021.

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.

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

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

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

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

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

The Council's Executive Leadership Team, consisting of the Chief Executive, 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.

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.

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk-based approach where required. The Equality Impact Assessment paperwork & guidance is to be review and work on the Council's equality objectives will take place in 2021/2022.

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 2020/21 is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes:

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

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

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

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk-based approach where required. The Equality Impact Assessment paperwork and guidance is to be review and work on the Council's equality objectives will take place in 2021/2022.

**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.

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

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

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.

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

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

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

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

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

The Council's risk management framework requires that consideration of risk is embedded in all key management processes undertaken. These include policy and decision making, service delivery planning, project and change management, revenue and capital budget management and partnership working. In addition, a corporate risk register is maintained, and the Audit and Risk committee meets to review the extent to which the risks included are being effectively managed and reviews progress towards achieving the action plan. Risk Management arrangements for the year ended 31 March 2021 were considered adequate.

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

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

All 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.

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

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

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. 5 assurance audits were completed during the year and a total of 5 resulted in a positive assurance grading being given.

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

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

The Council has established two wholly owned companies:

Equinox Enterprises Limited

Equinox Property Holdings (dormant but expected to start trading in 2021/22)

Equinox Enterprise Ltd	<p>Equinox Enterprise Ltd main aim is to develop good quality housing for outright sales.</p> <p>The Council owns 100% of the company shares</p> <p>Representative of the council sit on the board. Regular management meetings and quarterly board meetings are used to monitor the revenue and capital expenditure.</p> <p>Performance measuring systems both financial and non-financial are in place with management meetings and the Board providing a platform of discussion. Risk management arrangements are reviewed and discussed at the Board and management meetings.</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 in relation to the effectiveness of the governance, risk management and control framework.
- Internal audit is an independent and objective service to the management of the Council who complete a programme of reviews throughout the year to provide an annual opinion on the framework of governance, risk management and control. Significant weaknesses in the control environment identified by TIAA Ltd - Internal Audit are reported to Senior Management, the Audit and Risk Committee and Policy and Resources by the Head of Internal Audit as part of the regular reporting process.
- The Corporate Risk Officer reviews and monitors the risk registers, and in addition undertakes fraud investigation and proactive fraud detection work.
- The External Auditors (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 2019/20 has not yet been produced.

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 2020/2021, 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 2020/2021, considered by the Audit and Risk Committee in June 2021, 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 2021.</p> <p>The position at year end is that of the TBC recommendations raised and agreed by management so far; TBC have been implemented by the agreed date and TBC are not yet due.</p> <p>A total of TBC are now outstanding; <b>TBC</b> urgent, TBC important and TBC needs attention.</p> <p>A total of TBC recommendations remain outstanding from the 2018/19 year; (TBC <b>important</b>, TBC <b>needs attention</b>).</p> <p>Two important recommendations outstanding from the 2017/18 financial year.</p> <p>Internal Audit has issued five assurance reports, with all of these assurances being positive (two substantial assurance and three reasonable assurance) one assurance level is to be confirmed.</p> <p>No areas were assessed as having a Limited Assurance.</p> <p>Internal Audit has also completed three position statements in the year for (i) Procurement; (ii) Housing Needs, allocations, homelessness and housing register and (iii) Coronavirus Response and Recovery.</p> <p><b>Issued raised by Internal Audit Manager:</b></p> <p>The outstanding recommendations from historical limited assurance reviews are as follows: <b>TBC</b></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>

**Annual Audit Letter** - The annual Audit Letter for 2019/20 is yet to be completed at the time of production for the Annual Governance Statement dated June 2021.

### Self Assessment Assurance Statement

Directors and Heads of Service completed an Assurance Statement relating to their service area. The Assurance Statement asked specific questions about; policy and procedure, effectiveness of key controls, alignment of services within the service improvement plan, human resources, finance, risks and controls, health and safety, procurement, insurance, information technology, data protection, freedom of information, business continuity, partnerships and equalities. A yes / partial / no response 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
<p>From the responses received to the self-assessment assurance statement sent to Chief Executive Officer, Directors and Heads of Service a number of areas have been highlighted:</p> <p>Procedural notes are available for major/business critical system procedural notes which will be reviewed and updated as and when required.</p> <p>Audit recommendations are usually implemented by agreed date but occasionally there is some slippage or recommendations are overtaken by other events or revised dates submitted.</p> <p>Job descriptions to be reviewed in some service areas due to service reviews / re-structures and inconsistency.</p> <p>Service Improvement Plans were not completed for 2020/21 due to the COVID 19 pandemic.</p> <p>GDPR work is largely complete with the exception of archive storage facilities.</p> <p><b>Audit &amp; Risk Committee Self Assessment Assurance Statement</b></p> <p>The Audit and Risk Committee self-assessment exercise has resulted in most areas being scored as in conformance with CIPFA recommended best practice in</p>	<p>The Executive Leadership Team is developing methodologies to gain assurance in the highlighted areas.</p> <p>Further work is being undertaken to ensure that processes and procedures are documented or communicated to staff e.g. due to a restructure or due to the business needs e.g. COVID 19.</p> <p>This is a standing item at management team meetings and is being given high profile and management attention. COVID 19 has prevented the implementation of some recommendations.</p> <p>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.</p> <p>Performance was still measured in line with Corporate Plan and Annual Action Plan. Risks continue to be monitored and escalated to Corporate Risk Register</p> <p>Further work will be undertaken in 2021/2022 once current restrictions have been lifted.</p> <p>For those areas where partial or non-compliance have been identified, actions to address gaps in best practice have been identified and agreed by the Audit and Risk Committee. Progress against</p>

Issue	Action proposed / being taken
<p>relation to the role and effectiveness of an Audit Committee.</p> <p>The following questions were scored by the Audit and Risk Committee as partial compliance:</p> <ul style="list-style-type: none"> <li>• Is the role and purpose of the audit committee understood and accepted across the authority?</li> <li>• Are the arrangements to hold the committee to account for its performance operating satisfactorily?</li> </ul> <p>The following question was scored by the Audit and Risk Committee as not in conformance:</p> <ul style="list-style-type: none"> <li>• Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?</li> </ul> <p>The following questions were scored by the Audit and Risk Committee as not in conformance:</p> <ul style="list-style-type: none"> <li>• Has the audit committee considered the wider areas identified in CIPFA's position statement and whether it would be appropriate for the committee to undertake them?</li> <li>• Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?</li> </ul>	<p>completing these actions will be discussed and the self-assessment checklist updated.</p> <p>A self-assessment will be carried out by the Audit and Risk Committee on an annual basis.</p> <p>An Annual Report of the Audit and Risk Committee is to be produced and presented to Full Council. This report will provide details of work carried out throughout the year and any significant relevant information regarding the risk, control and governance framework. The report will be used to seek feedback from members of the Council on the performance of the Audit and Risk Committee</p>

#### 4. Further work / areas to be addressed

The following corporate governance areas were identified in the action plan for 2020/21 and progress to address the areas that have highlighted improvements are:

	Further work / areas to be addressed	Responsible Officer	Review update
1	Internal Audit recommendations should be implemented within the agreed timeframe and adequately actioned by management to ensure we have robust internal controls environment to safeguard the	Management Team	31/03/2021 Work continuing to implement audit recommendations by the due date and progress is being made for those recommendations with future dates. Progress being made to implement outstanding recommendations and at an acceptable level.

	<b>Further work / areas to be addressed</b>	<b>Responsible Officer</b>	<b>Review update</b>
	council's assets in all service areas. COVID 19 may impact on the delivery of recommendations by the agreed implementation date		<p>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. COVID19 has had an impact on the delivery of some recommendations by the due date.</p> <p><b>Work in Progress</b></p>
2	Further work will be undertaken to raise the profile to ensure compliance with Partnership Governance Framework and so all applicable governance and risk management arrangements are applied and consistently used across the organisation.	<b>Corporate Risk Officer</b>	<p>31/03/2021</p> <p>Partnership Governance Framework and Partnership Register has been approved by ELT and Audit &amp; Risk. The Corporate Risk Officer will update in accordance with the review process documented in the Partnership Governance Framework.</p> <p><b>Action Completed</b></p>
3	The Officer Register of Gifts and Hospitality process is to be reviewed during 2021/2021 and further work is to be undertaken to raise awareness and ensure compliance.	<b>Corporate &amp; Democratic Services Manager</b>	<p>31/03/2021</p> <p>Work on the review of Gifts and Hospitality has not yet commenced due to staff within Corporate Services being redeployed to help during the COVID 19 pandemic. Staff are now back within Corporate Services so work on this can now be progressed.</p> <p><b>Work in Progress</b></p>
4	Procurement and Contract Management Audit Report 2018/2019 – The four outstanding important recommendations relating to updating the Procurement Strategy and Standing Orders, regular review of the Contracts Register and analysis of spend and finalising the arrangements for the Kerbside Green Waste Collection Service are to be implemented.	<b>Finance Director</b>	<p>31/03/2020</p> <p>The updated Contract Standing Orders (CSOs) were approved in February 2021 A review of the associated procurement templates and guidance are underway and will form part of the procurement strategy work to be completed in early 2021/22.</p> <p><b>Work in Progress</b> <b>Revised Date: 31 July 2021</b></p>
5	Corporate Governance Internal Audit Report 2018/19 – The outstanding recommendation for site paper storage arrangements	<b>Corporate &amp; Democratic Services Manager</b>	<p>31/08/2020</p> <p>A Methodical review of offsite records has commenced, this is being carried out in a controlled manner with the support and</p>



	Further work / areas to be addressed	Responsible Officer	Review update
	to be reviewed to ensure compliance with GDPR regulations is to be implemented.		oversight of the Data Protection Officer. Work in this area has had to be paused due to the COVID-19 pandemic, which has led to a 1/3 of the Council's staff including the Data Protection Officer being redeployed to work as part of a coordinated response assisting the most vulnerable residents of the Borough. It was hoped that work could recommence from September 2020 however with current social distancing guidelines and protecting the health of Council staff being paramount this will not be possible. A review of the situation was undertaken in March 2021, as the national vaccine rollout is still in progress work is not yet able to recommence, a further review will be conducted in July 2021. <b>Work in Progress</b>
6	Corporate Health and Safety Review - Recommendations made in the Internal Audit report regarding a variation to the GY Norse Contract to reflect Health and Safety contract responsibilities to be implemented.	Head of Environmental Services	31/03/2020  GY1902 – Corporate health and Safety – Internal audit update all completed.  <b>Action Completed</b>
7	A review of the impact of the coronavirus will be undertaken to ensure that applicable governance and control measures were in place and the impact on the delivery of the usual services and to assess the longer term disruption and consequences arising from the pandemic in particular the impact on the Medium term Financial Strategy.	Finance Director	31/12/2020  Internal Audit requested to undertake a review to ensure that applicable governance and control measures were in place during the COVID 19 pandemic. GY2102 – Corporate Governance - 3 recommendation made (1 – Important and 2 Needs Attention). All recommendations to be actioned by 31 May 2021.  <b>Action completed</b>

The following corporate governance areas have been identified to form an action plan for 2021/22 (from the review of the code of corporate governance and self assessment assurance statements for 2020/21).

	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	Management Team	31/03/2022



	<b>Further work / areas to be addressed</b>	<b>Responsible Officer</b>	<b>Due Date</b>
	recommendations by the agreed implementation date, although it is hoped that this work will start to be prioritised.		
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.	<b>Corporate &amp; Democratic Services Manager</b>	31/03/2022
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.	<b>Finance Director and Monitoring Officer</b>	31/10/2021
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.	<b>Corporate &amp; Democratic Services Manager</b>	31/07/2021
5	The Equality and Diversity Strategy and Action Plan are to be reviewed and presented for approval.	<b>Head of Organisational Development</b>	31/07/2021

## 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 2020/21, the Coronavirus pandemic (COVID-19) has impacted the financial, operational performance and workforce of the Council at the end of the 2019/2020 financial year and more so in 2020/21.

Work is continuing to ensure that there are robust governance arrangements, risk management and internal control measures in place within the Council. Policies and procedures are being reviewed and implemented throughout the Council to ensure the safety and wellbeing of officers, members and customers during the pandemic and preparation for returning to the office environment. Systems of internal control were required to be reviewed which resulted in revised working practices and processes at the start of the lockdown and the requirement to introduce alternative / additional control measures.

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

## AUDIT AND RISK COMMITTEE – WORK PROGRAMME 2021/22

14 June 2021	6 September 2021	6 December 2021
<b>Internal Audit</b>	<b>Internal Audit</b>	<b>Internal Audit</b>
Progress Report on Internal Audit Activity 2020/21		
Follow Up Report on Internal Audit Recommendations		
Strategic and Annual Internal Audit Plan 2021/22		
Final 2020/21 progress Update		
<b>External Audit</b>	<b>External Audit</b>	<b>External Audit</b>
Annual Audit Letter 2019/20		Audit Results Report 2020/21 (TBC)
Audit Results Report 2019/20 (TBC)		
<b>Finance / Accounts</b>	<b>Finance / Accounts</b>	<b>Finance / Accounts</b>
Final Statement of Accounts 2019/20 (TBC)	Draft Statement of Accounts 2020/21 SOA	
Draft Statement of Accounts 2020/21 SOA		
<b>Risk Management</b>	<b>Risk Management</b>	<b>Risk Management</b>
Corporate Risk Register	Corporate Risk Register	
Annual Report on Risk Management Arrangements 2020/21		
<b>Governance</b>	<b>Governance</b>	<b>Governance</b>
Code of Corporate Governance	Partnerships Register	
Draft annual Governance Statement 2020/21		

