

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 |



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|------------------------|-------------------------------|
| Author | Corporate Risk Officer |
| Date | June 2021 |
| Document Status | Draft |

ANNUAL GOVERNANCE STATEMENT 2020/2021

1. Scope of responsibility

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

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

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

A copy of the code can be obtained from the Corporate Risk Officer, Greyfriars House, Greyfriars Way, Great Yarmouth, NR30 2QE. This statement explains how Great Yarmouth Borough Council has complied with the code and also meets the requirement of regulation 6(1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement of internal control and accompanies the 2020/2021 Statement of Accounts of the Council. The Annual Governance Statement is subject to detailed annual review and approved by the Audit and Risk Committee.

2. The purpose of the governance framework

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

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

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

The governance framework has been in place at Great Yarmouth Borough Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

3. The governance framework

An annual review of the Code of Corporate Governance framework at Great Yarmouth Borough Council was completed prior to the preparation of the Annual Governance Statement. A new code of corporate governance has been developed to cover the coming financial year 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; TBC urgent, TBC important and TBC needs attention.</p> <p>A total of TBC recommendations remain outstanding from the 2018/19 year; (TBC important, TBC needs attention).</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>Issued raised by Internal Audit Manager:</p> <p>The outstanding recommendations from historical limited assurance reviews are as follows: TBC</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>Audit & Risk Committee Self Assessment Assurance Statement</p> <p>The Audit and Risk Committee self-assessment exercise has resulted in most areas being scored as in conformance with CIPFA recommended best practice in</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"> Is the role and purpose of the audit committee understood and accepted across the authority? Are the arrangements to hold the committee to account for its performance operating satisfactorily? <p>The following question was scored by the Audit and Risk Committee as not in conformance:</p> <ul style="list-style-type: none"> Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas? <p>The following questions were scored by the Audit and Risk Committee as not in conformance:</p> <ul style="list-style-type: none"> Has the audit committee considered the wider areas identified in CIPFA's position statement and whether it would be appropriate for the committee to undertake them? Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory? | <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. |

| | Further work / areas to be addressed | Responsible Officer | Review update |
|---|--|--|--|
| | 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>Work in Progress</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. | Corporate Risk Officer | <p>31/03/2021</p> <p>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.</p> <p>Action Completed</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. | Corporate & Democratic Services Manager | <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>Work in Progress</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. | Finance Director | <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>Work in Progress Revised Date: 31 July 2021</p> |
| 5 | Corporate Governance Internal Audit Report 2018/19 – The outstanding recommendation for site paper storage arrangements | Corporate & Democratic Services Manager | <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. Work in Progress |
| 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. Action Completed |
| 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. Action completed |

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 |

| | Further work / areas to be addressed | Responsible Officer | Due Date |
|---|--|--|-----------------|
| | 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. | Corporate & Democratic Services Manager | 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. | Finance Director and Monitoring Officer | 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. | Corporate & Democratic Services Manager | 31/07/2021 |
| 5 | The Equality and Diversity Strategy and Action Plan are to be reviewed and presented for approval. | Head of Organisational Development | 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