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Date: 5 December 2024

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Dear Councillor,

AUDIT AND GOVERNANCE COMMITTEE - WEDNESDAY 11TH DECEMBER, 2024

I refer to the agenda for the above meeting and now enclose the following report(s) which were unavailable when the agenda was published. Appendix 1 to DBS Checks for Elected Members is also included.

Agenda No.	Item
4	Corporate Risk Management (Pages 3 - 28) Report of Executive Director of Corporate Services and Commercial
5	DBS Checks for Elected Members (Pages 29 - 30) Report of Executive Director of Corporate Services and Commercial Appendix 1
9	Risk and Audit Service Performance (Pages 31 - 76) Report of Executive Director of Corporate Services and Commercial
11	Work Programme Update Report (Pages 77 - 82) Report of Executive Director of Corporate Services and Commercial

Yours faithfully,

Democratic Services

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Report Title: Corporate Risk Management

Date of meeting:	11 December 2024		
Report to:	Audit and Governance Committee		
Report of:	Executive Director of Corporate Services and Commercial		
Portfolio:	Corporate Services		
Wards affected:	ALL		
Is this a key decision:	No	Included in Forward Plan:	No
Exempt/confidential report:	No		

Summary:

The Corporate Risk Register is presented to each meeting of the Audit and Governance Committee. Since the last Committee meeting in September 2024, the Corporate Risk Register has been reviewed and updated.

The ownership of the content of the Corporate Risk Register lies with the Strategic Leadership Board in accordance with the Corporate Risk Management Handbook approved by the Committee.

No new risk(s) have been added to or removed from the Corporate Risk Register in the current quarter.

A presentation on a risk from the Corporate Risk Register will be provided to Members at the December meeting.

The external review of risk management draft report has highlighted a number of recommendations to improve risk management.

There are other on-going initiatives to embed risk management within the Council including assurance mapping and horizon scanning.

Substantial work has been undertaken to attempt to embed risk management across the Council over the past six years through designing a risk framework, providing training, and facilitating the Service and Operational Risk Registers using resources across the Risk and Audit Team to facilitate improvements. Recent work has been drafting the Sefton Assurance Framework and undertaking Assurance Mapping to inform the Annual

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Chief Internal Auditor's Opinion and the Annual Internal Audit Plan.

There is clear evidence of engagement by the leadership team in terms of regularly reviewing the CRR. To demonstrate that risk management is embedded at this level engagement should be universal and consistent over time as highlighted in the update. Improvements required include the consistent regular updating of SRRs, considering the outcome of the ORR's when looking at SRR and sharing the SRR with the relevant Cabinet Member and the Risk team when requested.

There is one service where the updating of their SRR over the past 12 months hasn't been timely, with this quarter a further service area, so further work is being undertaken with the services to ensure this is improved. ORRs remain an area to be improved across the Council and the Risk and Audit service are continuing to work with teams to facilitate this across the organisation.

The implementation of the Council's risk appetite will help to further embed risk management within the Council and should improve corporate decision making. The risk management training will assist staff and members understand the principles of risk management in a consistent manner.

There is further work planned to improve risk management within the organisation through the roll out of Key Risk Indicators.

The initial findings from the external review of the Council's risk management review have highlighted areas to improve which the team will set out an action plan for the next meeting to consider.

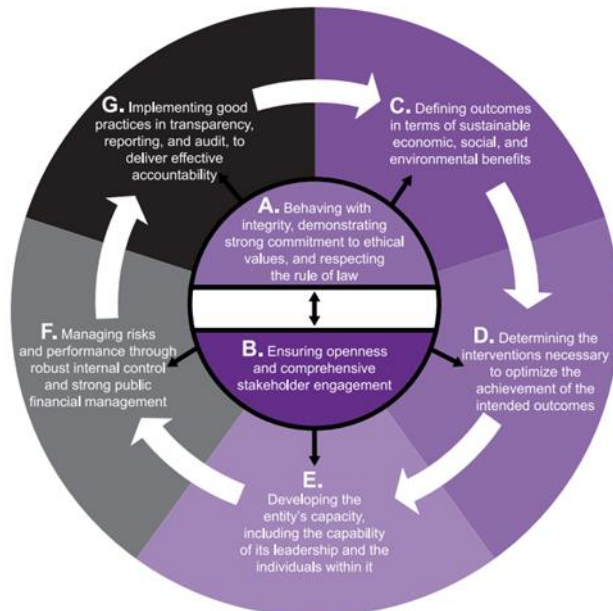
Recommendation(s):

(1) Consider the updated Corporate Risk Register, noting the nature of the major risks facing the Council, and the controls and planned actions in place to mitigate these risks.

1. The Rationale and Evidence for the Recommendations

Introduction

- 1.1 Risk Management is defined as 'systematic application of principles, approach and processes to the task of identifying and assessing the risk and the planning and implementing of risk responses.'
- 1.2 Chartered Institute for Public Financial Accountant, the key regulator on governance for the Public sector outlines in the publication "Delivering Good Governance in Local Government: Framework"(CIPFA/Solace 2016), the approach to ensure that there is effective governance in place using a number of principles, detailed in the diagram below. One of the key principles is on risk management although risk is a cross cutting theme through the guidance.



- 1.3 Principle F – outlines that managing risk and performance through robust internal control and strong public financial management which reinforces that risk management is an integral part of good governance.
- 1.4 There are three sub principles which are:
- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
 - Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
 - Ensuring that responsibilities for managing individual risks are clearly allocated.
- 1.5 Each year as part of the Annual Governance Statement a review of each of the principles from the above guidance is undertaken to produce the statement which is included in the Annual Accounts and is approved by the Audit and Governance Committee.
- 1.6 The Risk Management Strategy included in the Corporate Risk Management Handbook, which is presented to the Audit and Governance Committee on an annual basis for approval, states that:
- 1.6.1 “Risk Management is to be an integral part of the planning and decision-making processes of the Council and that the Strategy is intended to ensure that Risk Management is embedded in the overall planning process.
- 1.6.2 Risk management is a central part of Council’s strategic management and its corporate governance. Effective risk management makes sound business sense and is a good management tool as it helps to ensure that the corporate strategic objectives, in this case Sefton 2030, are achieved. The focus of good risk management is the identification and treatment of risks that could affect the delivery of these objectives.
- 1.6.3 Risk management should be a continuous and developing process which runs throughout the Council’s activities. A systematic approach to identifying and analysing risks is an integral part of all management processes and day-to-day working, rather than a separate initiative.”

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- 1.7 The responsibilities for risk management within Council are detailed in the Constitution in the Financial Procedural Rules section. Selected extracts include:
- 123 The Council's approach to Risk Management is that it should be embedded throughout the organisation at both a strategic and an operational level, through integration into existing systems and processes.
- 124 The Section 151 Officer develops the strategy and supporting framework on behalf of Executive Directors and Heads of Service (Now referred to as Assistant Directors). The Audit and Governance Committee scrutinise the risk management process ensuring the Council's risks are managed effectively.
- 125 Executive Directors and Heads of Service are responsible for ensuring the Risk Management Strategy is implemented and that the full risk management cycle operates within their Service.
- 128 Executive Directors and Heads of Service are responsible for ensuring risk management is carried out at both an operational and strategic level in accordance with the agreed guidance and procedures.
- 129 Executive Directors and Heads of Service will take account of, and address, corporate risks and inform the Chief Internal Auditor of any service risks that should be considered significant enough to rise to the corporate risk register level.
- 130 Service and operational risk registers, and associated actions, should be reviewed on a regular basis (at least quarterly) as part of the performance management process.”
- 1.8 Whilst the process of risk management is routinely undertaken within the Council in a number of areas, both at a strategic level and operationally, it is recognised that there is still scope, to develop a more integrated risk management approach. This report seeks to continue the process of formalising a system of robust Corporate Risk Management and embedding this further into the organisation. The Corporate Risk Management Handbook (CRMH) outlines that there should be three tiers of risk registers in place across the organisation which are identified through the scoring of the risks:
- Corporate Risk Register (CRR)– risks scored at 19 plus. These are the key risks affecting the Council.
 - Service Risk Registers (SRR)– risks scored between seven and 18 which are owned and managed by the Head of Service.
 - Operational Risk Registers (ORR) – risks scored at six and below which are owned and managed by Service Managers.
- 1.9 An updated CRR is presented at each meeting of this Committee for Members to consider. The ownership of the content of the Corporate Risk Register lies with the Strategic Leadership Board. The CRR has been shared with and reviewed by senior officers to ensure that the risk register reflects the most significant risks facing the Council. The completion of a risk register also demonstrates that the Council has set out an approach to mitigate the risks that have been identified. The updated CRR is set out at Appendix A, using the revised scoring approved by Members in September 2022, for noting by the Committee.
- 1.10 The SRRs are owned and should be reviewed by the Assistant Directors on a quarterly basis and provided to the Risk and Audit team for information. The completed Service Risk Registers are used by Audit as an agenda item in the formal six-monthly meeting with the

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Assistant Directors and are also used for the monthly budget meetings that are held by Financial Management with the Service Management teams.

- 1.11 The Operational Risk Registers are owned and revised by Service Managers. The Risk and Resilience Team, assisted by the Internal Audit Team, work with the individual teams to facilitate regular reviews of the risk registers which will help to embed risk management at the centre of the Council's activities.

2. Key Developments

2.1 External operating environment

- 2.1.1 The external operating environment has continued to evolve over the past quarter building on a number of significant external events occurring in the previous 24 months. These events can affect existing risks by potentially increasing the impact and/or likelihood as well as create new risks which could potentially detrimentally impact on the achievement of the Council's strategic objectives.

2.2 Corporate Risk Register (CRR)

- 2.2.1 Since the September 2024 update to the Audit and Governance Committee, the CRR has been reviewed and updated. The main changes include:
- 2.2.2 No new risk(s) have been added or removed from the Corporate Risk Register in the current quarter.
- 2.2.3 There have been several changes to the narrative within the CRR to reflect improvement in controls and proposed actions.

2.3 Service Risk Register (SRR)

- 2.3.1 The March 2021 update highlighted that the position on the completion of the quarterly updates on the SRRs, in line with the requirements detailed in the Corporate Risk Handbook, would be provided to the Committee indicating how many had been updated and shared with the Risk and Resilience Team on a rolling 12-month basis. A copy of the SRR from each Service Area is requested at the same time updates for the Corporate Risk Register are requested from members of Strategic Leadership Board. A total of eight (80%) SRRs have been provided for Q3 2024/25.
- 2.3.2 The Team have worked with all Service Areas to ensure that there is an updated Service Risk Register for this quarter.
- 2.3.3 Focus on work during the next quarter will continue on ensuring that the SRRs are updated taking into consideration the risks within the Operational Risk Registers as well as ensuring that there is a 100% response to the quarterly request for an SRR. The Team are continuing to be looking qualitatively at the SRRs and provide feedback to the risk owners.

2.4 Operational Risk Registers (ORR)

- 2.4.1 The Risk and Resilience team continue to work with Service Managers and Assistant Directors from selected service areas to ensure the escalation process for risk is fully embedded and relevant risks are escalating from ORR to SRR and SRR to CRR where appropriate. It is noted that the escalation process does not appear to be embedded in every Service Area and in some cases SRRs appear to be completed without consideration of ORR content. Some ORRs are not being updated regularly in line with guidance and there are some outliers where ORRs are not routinely in place, and the Team are continuing to work with Teams to facilitate completion.

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2.5 Proposed actions from June 2021

- 2.5.1 In order to address the issues identified with the embedding of risk management in June 2021, all Assistant Directors were engaged, and the following actions identified and agreed to improve how risk management is embedded within the organisation. As previously reported a number of key actions have been completed with the exception of the following:
- 2.5.2 It is important that to properly embed risk management that risk is an agenda item on the Departmental Management Team in each of the Service Areas on at least a quarterly basis. Guidance has been provided previously to Assistant Directors on the proposed agenda item and testing of agenda and minutes was undertaken in November 2024 confirmed that five service areas had an agenda item on risk over the past three months which is a slight improvement on the last testing.
- 2.5.3 The sharing of the SRR with the relevant Cabinet Member will take place on a quarterly basis. Assistant Directors were requested to provide evidence in November 2024 confirmed that five service areas had shared their SRR with their Cabinet Member which is a slight improvement on the last testing.
- 2.5.4 An e-learning package on risk management is to be launched across the Council during the next 12 months. This has now been completed in June 2024 and a link has been provided to staff and Members.

2.7 Next steps

- 2.7.1 Following on from the approval of the Sefton Assurance Map in March 2024 by the Committee a further review will be undertaken later in the financial year to update the Assurance Map before bringing back to Members.
- 2.7.2 The Team are currently developing Key Risk Indicators for all of the risks in the CRR which will provide through a framework of indicators a quantitative assessment of the risks alongside the qualitative judgement of the risk owners. The Team have identified a number of measures after discussions with the risk owners and hope to finalise this during the next six months.
- 2.7.3 A review of the Corporate Risk Management Handbook, attached, took place in June 2024 which reflects some of the simpler changes highlighted in the external risk management review and the risk descriptors used for the impact scoring to align with the Risk Appetite Framework. A further review of the document planned to take place in the Autumn 2024 to take forward the more comprehensive changes that the external risk management review has highlighted will take place in Summer of 2025 before bringing back to the Committee in September 2025 for noting.

3. External Risk Management Audit

- 3.1 The external review undertaken by Gallagher Bassett was completed in February/ March 2024 with the draft report provided on 29 April 2024. The review was completed using the following methodology:
- 3.2 Stage 1 – Review of Corporate Risk Management Strategy.

A desk-top review of key documents was undertaken. This review focused upon risk management strategies, policies, plans and procedures, risk registers, and minutes of key meetings in which risk management is discussed.

3.3 Stage 2 – Stakeholder Interviews

A series of 12 x one-hour interviews with key internal stakeholders (mostly risk owners and system users) were undertaken between 7th March and 14th March 2024 to determine how the risk management strategy is implemented and its perceived effectiveness. Interviewees were selected from the senior levels of the management hierarchy including Service Managers, Assistant Directors and Executive Directors from various parts of the Council. An overview of the results of the interview process is detailed within the section of this report titled 'Risk Management Health Check Review Findings'.

3.4 Stage 3 – Online Risk Management Survey

In conjunction with the interview process, a short online risk management survey was sent to 163 managers who had not been invited to participate in the interview process. The results of the online survey are detailed within the section of this report titled 'Risk Management Survey Results'.

3.5 The response to the draft report has not been completed and shared with Gallagher Bassett however the key recommendations include:

- Providing more developmental opportunities for staff at all levels to raise understanding particularly amongst front line leaders.
- Updating the Corporate Risk Management Handbook (and appendices) so that it is more user friendly and is clearly recommunicated and available.
- Raising the profile of risk management by publicly celebrating risk management successes within the Council, as well as publishing lessons learned from failures.
- Identifying ways of integrating risk management more overtly so people are aware it's importance within their roles.
- If cross cutting operational risks are being adequately identified and evaluated in a collective / corporate way.
- In the longer term continue to develop the suite of KPI's associated with measuring the performance of the risk management journey and how it can be used more proactively to exploit opportunities.

3.6 A further update after the final report has been agreed will be provided to Members at the March 2025 meeting.

4. **Summary of the current position**

4.1 Substantial work has been undertaken to attempt to embed risk management across the Council over the past six years through designing a risk framework, providing training, and facilitating the Service and Operational Risk Registers using resources across the Risk and Audit Team to facilitate improvements. Recent work has been drafting the Sefton Assurance Framework and undertaking Assurance Mapping to inform the Annual Chief Internal Auditor's Opinion and the Annual Internal Audit Plan.

4.2 There is clear evidence of engagement by the leadership team in terms of regularly reviewing the CRR. To demonstrate that risk management is embedded at this level engagement should be universal and consistent over time as highlighted in the update. Improvements required include the consistent regular updating of SRRs, considering the

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outcome of the ORR's when looking at SRR and sharing the SRR with the relevant Cabinet Member and the Risk team when requested.

- 4.3 There has been a slight blip in the updating of SRRs over the past 12 months. ORRs remain an area to be improved across the Council and the Team are continuing to work with Service Areas to facilitate this across the organisation.
- 4.4 The implementation of the Council's risk appetite, will help to further embed risk management within the Council and should improve corporate decision making. The risk management training will also assist in raising awareness and knowledge.
- 4.5 There is further work planned to improve risk management within the organisation through the roll out of Key Risk Indicators.
- 4.6 The initial findings from the external review of the Council's risk management review have highlighted areas to improve which the Team will set out an action plan for the next meeting to consider.

5. Presentation to the Audit and Governance Committee Meeting

- 5.1 At the Audit and Governance Committee in December 2019 it was agreed that for each meeting a short presentation would be made by a risk owner on one of the risks from the Corporate Risk Register. The briefing, in line with good practice on risk management, should be on the background to the key risk, the current controls and the actions to mitigate the risk further.
- 5.2 A presentation will be provided to Members at the December meeting.

2. Financial Implications

There are no direct resource implications.

3. Legal Implications

There are no legal implications from the paper.

4. Corporate Risk Implications

The paper details the Corporate Risks facing the organisation that have been identified, the controls used to mitigate the risks and the further actions that are planned to reduce the risk to the organisation's risk appetite.

5 Staffing HR Implications

There are no staffing HR implications.

Alternative Options Considered and Rejected

None

Equality Implications:
There are no equality implications.
Impact on Children and Young People:
There are a number of Children's Services related risks in the Corporate Risk Register. There are no direct implications as the ex

summary of what has already been agreed. Where risks are managed effectively the achievement of the Council's objectives in this case for Children's Services will more likely be achieved.

Climate Emergency Implications:

The recommendations within this report will have a positive impact. The report provides a summary of the risks identified and managed that will impact on the delivery of the Council's purpose. The Corporate Resources and Customer Services Service Risk Register includes a Climate Change Emergency risk with actions to mitigate its impact and likelihood

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Services and Commercial (FD.7847/24) and the Chief Legal and Democratic Officer (LD.5947/24) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision:

Following the expiry of the "call-in" period for the Cabinet decision.

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Appendices:

The following appendices are attached to this report:

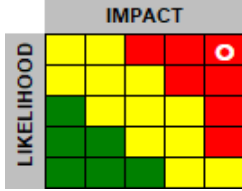
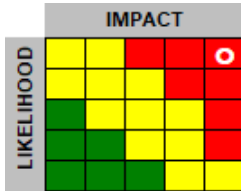
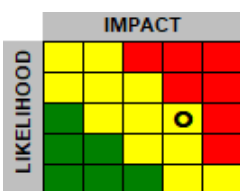
- Corporate Risk Register November 2024

Background Papers:

There are no background papers available for inspection.

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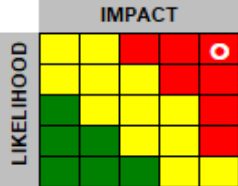
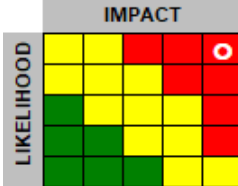
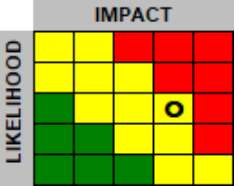
Appendix A - Corporate Risk Register December 2024

Risk Description	Previous risk score	Current risk score	Target risk score
<p>Dedicated Schools Grant High Needs Funding for Special Educational Needs is inadequate to meet requirements.</p>			
<p>Causes</p>	<ul style="list-style-type: none"> • High Needs budgets are under considerable pressure from increasing numbers of children being diagnosed with complex and life-long SEND related issues. • National funding allocations are not increasing annually at a rate to reflect increases in local population demand and so any additional commissioned places need to be financed from within existing budget envelope. • The number and value of requests from mainstream schools for "top-up" funding (for children with SEND) continues to increase year on year as schools face financial pressures to meet the first £6k of any SEN Support. • Maintained special school provision is full and more children are being placed in independent provision which is more expensive. Whilst this issue is being addressed through extra In-house provision, there remain risks that external placements may continue at high additional cost. • Central Government have advocated parental preference for SEND provision - which has added to the number of children being placed in independent provision - with no additional funding. • The current accounting override whereby the HNF deficit is ringfenced will continue until April 2026, but the increasing accumulative deficit poses a significant financial risk to the council. 		
<p>Result</p>	<ul style="list-style-type: none"> • Sefton's High Needs cumulative budget deficit is £35m at the end of 23/24. • The estimated deficit on the high needs block continues to be held on the Council's Balance Sheet. Whilst the current DfE regulations do not expect the Local Authority's General Fund to cover accumulated deficits, this is still only on a temporary basis until 2026. The council does not have the reserves or balances to meet this deficit if required in 2026 hence the threat to financial sustainability. • This is a significant risk to the council and 6 monthly monitoring statements will continue to be reported to cabinet and council. 		
<p>Current treatment and controls</p>	<ul style="list-style-type: none"> • Reporting to Cabinet and Council should focus on the work program that seeks to improve the support to children, the demand for the service and the financial forecast- it should also take full account of the progress in the DFEE led Delivering Better Value Programme. • Leadership from Sefton's Executive Director of Children's Social Care and Education, Assistant Head of Education and the SEN team Managers on how costs can be contained. • Sufficiency statement produced that will drive future strategy and financial sustainability – build programme under development. • Lobbying and engagement of both DfE and MCCLG on financial impact and the need for increased support or confirmation that this will continue to be a DSG issue post 2026 • Engagement with special schools actively working with individual schools to review impact of any proposed changes to their funding, reviewing three-year financial plans, identifying any strategic savings to mitigate high calls on DSG High Needs 		

Appendix A - Corporate Risk Register December 2024

	<p>funding.</p> <ul style="list-style-type: none"> • Review of place and top up levels of funding. • In addition, further work is being undertaken on alleviating the barriers to inclusivity within mainstream settings and assessment of effectiveness of capital spend to maximise mainstream settings for children and young people. • Council now part of DfE Delivering Better Value Program-it should be noted however that this is focused on the system and not on delivering financial sustainability therefore the council cannot rely on this programme to meet its key financial objective • Comprehensive 6 monthly reports to be presented to Cabinet and Council on sufficiency, in house provision, funding and deficit to provide rigor, transparency and inform decision making. • As part of the council's transformation programme SEND is a specific transformation project and reflects the 3 key areas of activity each of which will support the service • As part of the annual audit plan a review of the systems and processes within this function has been undertaken to ensure that the overall environment is robust, supports effective decision making and the use of resources- this report will be issued in Q3 of 24/25.
<p>Risk owner</p>	<p>Assistant Director of Education</p>
<p>Proposed actions</p>	<ul style="list-style-type: none"> • Through the High Needs Review the LA has been working on two specific workstreams with School representatives working on a number of key areas: • Developing a new funding model to support children with EHCPs. • Clarifying high needs funding outside of the EHCP process. • Reviewing provision and placement sufficiency. • Considering new ways of working with SEN children in schools, making them more cost effective and with good outcomes. • Review of the graduated response and supporting SEN leadership in schools. • Sefton has been working in partnership with the DfE since December 2022 to develop solutions to bring the High Needs Budget into a more financially secure position going forward and help to reduce the accumulated deficit over a set period. • The sign off of the High Needs Deficit action plan through the Delivering Better Value Programme was conducted in summer 2023 with a work programme of planned improvements and changes in SEN support for HN children commencing from September 2023.


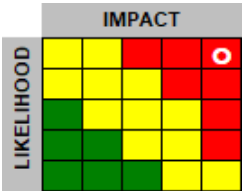
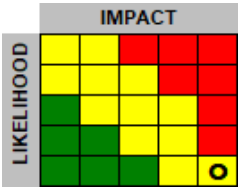
Appendix A - Corporate Risk Register December 2024

Risk Description	Previous risk score	Current risk score	Target risk score
Financial sustainability beyond 2024/25.			
Causes	<ul style="list-style-type: none"> The national economy, taking into account inflation and direct government funding, which has been reflected in the financial settlement for 2024/25 and planning assumptions for future years and the demand for services will place substantial strain on the Council's overall medium-term budget. As a result, significant budget and cost reductions will be required. Due to the scale of budget reductions made since 2010 there is a risk that further suitable cost-saving / income generating measures will be difficult to identify. The impact on the financial sustainability of the Council is therefore a key risk. 		
Result	<ul style="list-style-type: none"> The Council will need to identify substantial sustainable savings to meet the funding gap that arises from inflation, potential government grant reductions and increased demand for services. The Budget reductions could have an adverse impact on residents and communities. The reputation of the Council may be compromised. Financial sustainability could be compromised. 		
Current treatment and controls	<ul style="list-style-type: none"> The Council set a budget for 2024/25 at its meeting on 29 February 2024. Substantial investment has been made into ASC, CSC and Home to School Transport as part of this and this is where the financial risk exists- robust financial management and monitoring will be required for the delivery of the budget within this approved budget. If there are any variations to the approved budget remedial plans will need to be put in place. The Council does have an appropriate level of general fund reserves however these do not offer the scope to address a budget gap similar to that experienced in 22/23 or 23/24, indeed there is no scope to support an overspend from reserves at all. Within that budget report the key issues that need to be addressed within the next MTFP have been identified and work has started on the next 3-year budget plan. This includes refining all budget assumptions and updating the potential budget gap for these next 3 years- this will be reported in a revised MTFP that will be submitted to Cabinet and Council in November following the Autumn Budget - the council has a new transformation programme that has been established and this is the delivery vehicle for the MTFP with the stated aim of helping delivering financial sustainability. This is key to the financial sustainability of the Council with the key risks remaining in Adult Social Care and Children's Services- these have been mitigated for in 24/25 by all budget assumptions having been agreed with the DASS and DCS but that risk remains. 		
Risk owner	ED CS & C		

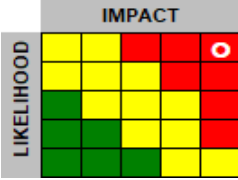
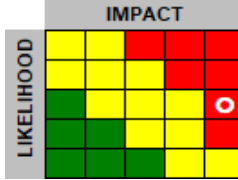
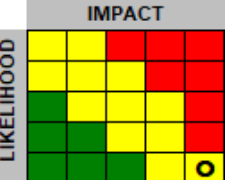
Appendix A - Corporate Risk Register December 2024

Proposed actions	<ul style="list-style-type: none">• Key financial risk for 2024/25 is delivery of savings within Adult Social Care and Children's Social Care delivering services within the budget agreed with DCS - regular and rigorous financial management, monitoring and reporting is required by SLB.• SLB will commence work on the 3-year budget plan for 2025/26 to 2027/28 and an updated MTFP will be presented to Cabinet in November 2024.
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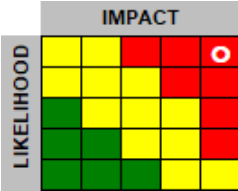
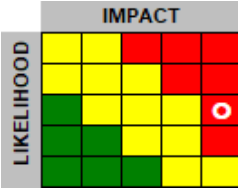
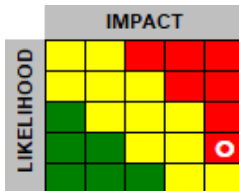
Appendix A - Corporate Risk Register December 2024

Risk Description	Previous risk score	Current risk score	Target risk score
Demand and Cost of Home to School Transport, impact on the financial sustainability of the Council			
Causes	<p>Increasing expenditure is being driven by:</p> <ul style="list-style-type: none"> • Rising number of children and young people with an Education Health and Care Plan • Rising number of children and young people whose needs are not met in local mainstream provision and placed in educational provision outside the local area. • The rising cost of fuel and living. • Driver and escort shortages, competing for scarce resources. • Parental choice 		
Result	<ul style="list-style-type: none"> • Supply unable to match demand. • Increased waiting times for service users, impact on school attendance • Financial and reputational risks, financial sustainability of Council could be compromised, Budget pressure cannot be contained. • Capacity of the workforce to meet this demand. • Potential for poor service delivery • Negative socio-economic impact. • High level of media and public interest in the Council's actions • Loss of reputation 		
Current treatment and controls	<ul style="list-style-type: none"> • There is a specific project that is reviewing each aspect of the Home to School Transport system and this will be reported to Executive Leadership Team in November and then subsequently Cabinet. This aligns with the DBV work and sufficiency of SEND placements within the borough. • The key aspect of this is what is driving the demand for services and how can this be better met – this work is on-going in October and aligns to DBV, therefore engagement with SEND teams on how demand can be contained is fundamental. • The review will include a review of In-House fleet and Post 16 charging policy, on-going review of all provision and Personal Travel Budgets 		
Risk owner	Assistant Director of Education		
Proposed actions	<ul style="list-style-type: none"> • Comprehensive review of the system has commenced including reviewing all commercial arrangements, key cost drivers and all decisions that impact cost. This is due to be completed in the next 6 months. 		

Appendix A - Corporate Risk Register December 2024


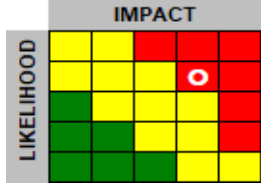
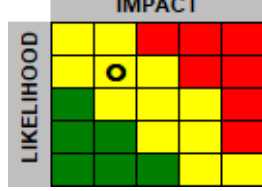
Risk Description	Previous risk score	Current risk score	Target risk score
The Council is the victim of a cyber-attack.			
Causes	<ul style="list-style-type: none"> Malware, ransomware, or another virus infects the Council's systems. 		
Result	<ul style="list-style-type: none"> Services will not have access to systems and data as standard and will have to fall back on non-ICT delivery methods, albeit without access to key data. Data breach occurs. Financial impact of ransom. Reputational damage 		
Current treatment and controls	<ul style="list-style-type: none"> Cyberattack prevention measures are in place, including: <ul style="list-style-type: none"> Upgraded Council firewalls and active SIEM monitoring service. Anti malware tools Acceptable use policy updated annually LGA Stocktake completed/Cyber 360 completed PSN Accreditation achieved and reviewed annually New security standards for email encryption implemented Further network security in place to reduce risk Back-up disaster recovery facility is in place at a separate site, for both clouds based and on premises systems. Agilisys has a Business Continuity-Disaster Recovery plan in place which covers an action plan for this priority restoration, and the subsequent restoration of all other systems. Ongoing monitoring in in place via ICT governance arrangements. Anti-virus and Malware software is constantly updated across the estate. Communication to employees regarding the rise in cyber-attacks is in place, with an enhanced training offer in place. Review of Cyber Incident planning completed and revised policy released. Removal of unsupported systems from the network and segregation in place as required. 		
Risk owner	ED CR&CS		
Proposed actions	<ul style="list-style-type: none"> The ongoing ICT Transformation programme has seen the majority of systems and data migrated to Microsoft Azure cloud hosting, which will reduce the overall risk; and improve Business continuity however further work is underway to improve the current security posture further. Ongoing Cyber Security Improvement plan in place. External validation and assurance ongoing linked to improvement plan. 		

Appendix A - Corporate Risk Register December 2024

Risk Description	Previous risk score	Current risk score	Target risk score
<p>Inadequate capability to prepare for and respond effectively to a major incident affecting the Council or occurring in Sefton as per the Council's responsibilities under the Civil Contingencies Act 2004.</p>			
Causes	<ul style="list-style-type: none"> A major incident occurs affecting the Council or the Borough 		
Result	<ul style="list-style-type: none"> Loss of human life, illness, or serious injury Major damage or destruction to infrastructure, property and/or the environment Disruption or loss of critical services such as transport, communications, utility services Reputational or financial harm to the authority 		
Current treatment and controls	<ul style="list-style-type: none"> Emergency Response Manual and Major Incident Guidance in place. Revised Command and Control structure in place which defines Strategic and Tactical level officers. Emergency Duty Co-ordinators (EDCs) are able to access Resilience Direct containing incident response plans. Relevant training provided to Emergency Duty Co-ordinators and volunteers on an ongoing basis. Six EDCs have now completed Multi Agency Gold Incident Commander (MAGIC) accredited training. Attendance and participation in Merseyside Resilience Forum and joint planning across Merseyside. Humanitarian volunteers in place and regular meetings and training now offered. Continuous development and review of supporting plans. Service Level Business Continuity plans now completed. Business Continuity eLearning package available to all staff Business Continuity risk register completed and review on quarterly basis Business Continuity Policy and strategy have been devised and approved. BC exercises completed in January 2023 and March 2024 for Senior Leadership Board Corporate BC plan drafted and endorsed by ELT in January 2024 		
Risk owner	CEX/ED CS&C		
Proposed actions	<ul style="list-style-type: none"> A Business Continuity Management System has been devised and is currently being implemented. This includes the following: <ul style="list-style-type: none"> Six monthly review of BC plans and activation exercise undertaken to confirm accuracy of contact details included. External provider to continually provide support in hosting regular BC exercises for all Exec/Assistant Directors. Review and update of BC manual ongoing All SLB members to make arrangements to be MAGIC trained as soon as possible and refresher training must be completed. SLB to ensure that other training provided by MRF is attended by at least 3 members of SLB e.g. Recovery Training Update Report on Emergency Planning will be presented to SLB on a quarterly basis that will take account of training, 		

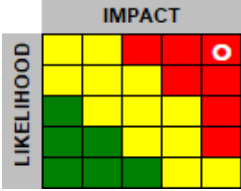
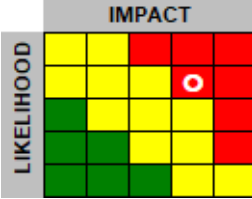
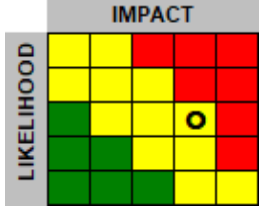
	recent incidents etc.
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Appendix A - Corporate Risk Register December 2024

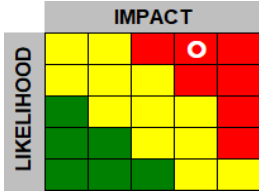
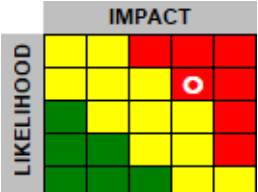
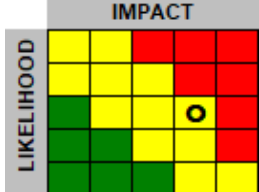
Risk Description	Previous risk score	Current risk score	Target risk score
Market Failure of Social Care Provision across Adults and Children's			
Causes	<ul style="list-style-type: none"> • Workforce - Capability and capacity of the available workforce to provide domiciliary care and within the care home market • Strategic - Lack of diversity of supply in the market to provide choice and control. COVID legacy effect on Market. 		
Result	<ul style="list-style-type: none"> • Legal - Inability to provide packages of care for service users and fulfil statutory duty of care and sufficiency duty. • Strategic - Lack of alternative providers able to support social care. Increase in placing young people within Borough, by other LAs placing additional pressure on ASC markets linked to transitions • Operational and Financial - Poor quality service provision and high costs. Significant increase in unmet needs of service users due to a fragile market that is not developing Strategy 		
Current treatment and controls	<ul style="list-style-type: none"> • Strategic - Market Position Statement and refresh of Children's Sufficiency strategy 22-25 allows market management. Strengthen governance via actions and oversight of Executive Commissioning Group/Strategic Commissioning Group. Strategic Commissioning Team more permanent capacity to increase resource. Implementation of Commissioning priorities improvement plan. Delivery of Health and Wellbeing Strategy 2020-2025. Implementation of robust and timely Winter Planning/checklist. Regular review of supply chain contracts. Demand Management Programme embedded in adults and children's. Mitigation of market failure by block purchasing arrangements to support hospital discharge. CQC Assurance preparation. Provider Failure Policy updated, regular Cost of Care exercises and Market Engagement Strategies in production to focus on relationship-based market management. • Operational - Recommissioning of Local Dynamic Purchasing system for Domiciliary Care. Weekly escalation/ visibility of capacity and costs with AD, DASS and wider system. Maximising learning opportunities across C&M DASS group with key areas of focus 		
Risk owner	DCS/DASCH		
Proposed actions	<ul style="list-style-type: none"> • Operational - Strengthened oversight of Quality Assurance (QA) with dedicated Senior Manager support will add the ability to refocus QA resources on identified areas of Market Risk. • Strategic - Continue to focus on strategic plans to current contracts to ensure Value for Money and objectives are met. Gather intelligence to inform risks and ensure resilience and capacity. Development of new opportunities through Sefton Place Based Partnership development. Children's High Risk/High-Cost Project, Commissioning priorities and full work plan. Recruitment campaign developed with Market with ongoing input from Sefton at Work - Workforce Strategy now developed, and subsequent Market Sustainability Plan roll out 2023/24. Work includes use of International Recruitment funding to be allocated to Providers. Links maintained with LCR on key market risks (capacity, workforce, 		

	<p>cost of living, ceasing of covid funding, demand). New Procurement for Domiciliary Care completed. Integrated commission arrangements will develop via new place arrangement. Market Sustainability Plan and Fair Cost of Care Exercise to be sent to Central Government mid Oct. National Government Market Sustainability funding applied to Dom Care and Care Homes 65+. Discharge funding now recurrent through the Better Care Fund. Work continues to mobilise a rapid reablement expansion. Linked to ND review. Work jointly with Health to develop approach to reduction of one-to-one requests. Cost of Care / fee setting work for 2024/25 is commencing, including Care Analytics being commissioned to support with 2024/25 fee setting work, including analysis of impacts of implementing RLW across all ASC sectors. SOP for fee setting in place. Presentation to A&CG by DASS on risk 20 March 2024.</p>
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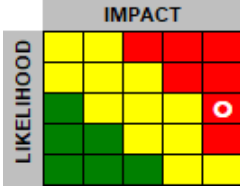
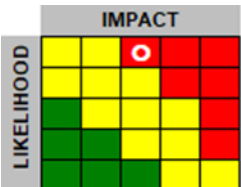
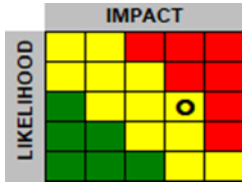
Appendix A - Corporate Risk Register December 2024

Risk Description	Previous risk score	Current risk score	Target risk score
Children's Services - Impact of Regulatory Framework Outcomes			
Causes	<ul style="list-style-type: none"> The Council's children's services are currently rated as inadequate. As a result, the council is currently delivering its improvement with the support of a commissioner and DFE advisor. 		
Result	<ul style="list-style-type: none"> Social work practice does not meet the standard required Services are found to not adequately safeguard children Reputational damage to the Council and Statutory partners Loss of confidence in partnership arrangements Workforce and financial pressures develop 		
Current treatment and controls	<ul style="list-style-type: none"> Improvement board established under DfE improvement notice DfE Advisor supporting Improvement Programme Regular reports to Overview & Scrutiny Committee Self-evaluation has been refreshed and updated Comprehensive Performance dashboard developed based on required specification Quality Assurance Framework in place Practice Standards in place Triangulation of evidence through audit and peer review, regular auditing and monitoring of performance Workforce strategy in place and delivering skilled and stable workforce Financial plan in place based on DCS requirement Accommodation in place for consolidated service 		
Risk owner	DCS		
Proposed actions	<ul style="list-style-type: none"> Role of Improvement Board to provide oversight, guidance and support will continue and will meet bimonthly The council will continue to Progress the delivery of recommendations made by Children's Commissioner and the improvement plan Report progress and risks to Overview & Scrutiny Committee each cycle, in addition to improvement Board 		

Appendix A - Corporate Risk Register December 2024

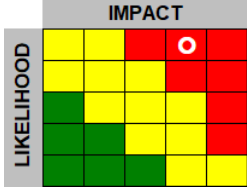
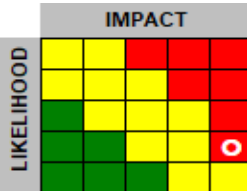
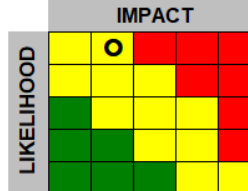
Risk Description	Previous risk score	Current risk score	Target risk score
Increase in academisation of schools within the borough			
Causes	<ul style="list-style-type: none"> • National Agenda • DfE sponsored academies for schools in a category. • Instability within LA • Liverpool Diocese supporting academisation 		
Result	<ul style="list-style-type: none"> • With Academisation there will be a loss of SLA income which would may require service reductions in Education, corporate services and operational in-house services. • With Academisation there will be a loss for the LA ability to monitor educational standards. 		
Current treatment and controls	<ul style="list-style-type: none"> • EE team continue to review offer • Engaging with academies to encourage purchase of SLAs • Promote "Sefton Family of Schools" image- working party established to support schools with decision making and to ensure compliance with academies act • Review of traded services offer to all schools and academies • Representation by Academy CEOs on School Improvement Board • Presentation of this risk to A&G Committee for awareness raising 		
Risk owner	Exec Director CSC & EE		
Proposed actions	<ul style="list-style-type: none"> • Many of the decisions on academisation are out of council control • Individual service areas continue to make attractive and robust SLA offers • New AD to reconvene regular CEO meetings 		

Appendix A - Corporate Risk Register December 2024

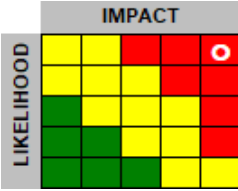
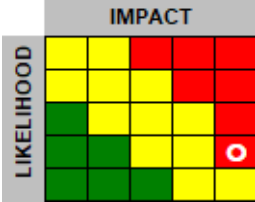
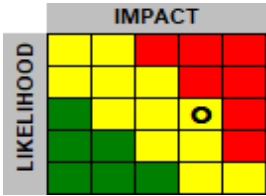
Risk Description	Previous risk score	Current risk score	Target risk score
<p>Failure to Comply with Sections 1 and 10 of the Freedom of Information Act 2000</p>			
<p>Causes</p>	<ul style="list-style-type: none"> • A person requesting information from a public authority has a right, subject to exemptions, to be informed by the public authority in writing whether it holds the information, and to have that communicated to him, if the public authority holds it (section 1 of The Freedom of Information Act 2000). Section 10(1) specifies that public authorities must respond to requests within 20 working days. • A public authority which fails to comply with any of the requirements of Part I of the FOIA, may be served with a notice by the Information Commissioner (referred to as an ‘enforcement notice’) requiring the authority ‘to take within such time as may be specified in the notice, such steps as may be so specified for complying with those requirements’ (section 52(1)). • Compliance performance levels differ across the Council, due to the demands on particular service areas. Consistency is required in terms of prioritising responses to FOIA requests so that the Council ensures it responds to requests in a timely way. 		
<p>Result</p>	<ul style="list-style-type: none"> • Failure to comply with legal requirements; enforcement action by the Information Commissioner’s Office, damage to Council’s reputation; loss of public confidence, diversion of resource and financial consequences 		
<p>Current treatment and controls</p>	<ul style="list-style-type: none"> • Information management and governance, including compliance with the Freedom of Information Act is overseen by the Information Management and Governance Executive Group (IMGEG), which consists of officers with lead responsibilities for key aspects of information compliance (i.e. Data Protection Officer/IG Lead, Senior Information Risk Owner and Chief Legal and Democratic Officer) supported by other officers with key roles relating to IMG. • Each service is responsible for the handling and management of FOIA requests made to their respective service area. • Each service has designated Information Asset Owners and Information Asset Administrators. Policies, procedures, processes and issues are communicated to these officers through the Information Management and Governance Operational Group. • Support, co-ordination, advice and guidance is provided corporately. • The Council has implemented policies, procedures and processes to assist the management of FOIA requests made to the Council. 		
<p>Risk owner</p>	<p>CEX</p>		

<p>Proposed actions</p>	<ul style="list-style-type: none">• SLB to continue to ensure appropriate resourcing, prioritisation and focus on information management and governance across the Council include the following:• Monthly reports continue to be sent to Heads of Service with lists of any outstanding FOIA requests, to ensure appropriate action across their service.• Monthly monitoring and review by IMG EG of compliance with statutory timescales associated with requests and numbers outstanding.• Set targets to ensure compliance with ICO recommendations (95% or more of requests are responded to within 20 working days = good, 90 to 95% of requests are responded to within 20 working days = adequate, fewer than 90% = unsatisfactory).• Regular reporting by IMG EG to SLB and Audit and Governance Committee, as necessary, as to the Council's compliance with the FOIA. Compliance statistics to be published on a monthly basis on the Council's website. Q1 statistics will be available at the end of June 2024.• Maximise the opportunities from the Council's ICT Transformation to increase and embed effective information management and governance.
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Appendix A - Corporate Risk Register December 2024

Risk Description	Previous risk score	Current risk score	Target risk score
Ability of the Council to recruit to its workforce in order to deliver its Core Purpose			
Causes	<ul style="list-style-type: none"> Due to the contraction of the labour market both nationally and locally the council cannot recruit sufficiently skilled staff in order to meet business need. At present this is especially acute within social work teams in both Adults and Children Services. 		
Result	<ul style="list-style-type: none"> The Council does not have the capacity to deliver the services it needs to at the pace or standard required Due to the contraction in the market the council cannot recruit to key roles - over the past 12 months this has been evident in Social Care, Regeneration, Procurement, Performance, Property and Finance Such a scenario places increased pressure on the workforce that cannot be maintained over the long term In addition to the lack of candidates in the market seeking permanent employment and a reduction in availability of temporary or agency staff, the cost of bringing in temporary cover is increasing exponentially this creating budget pressure 		
Current treatment and controls	<ul style="list-style-type: none"> The Council's approach to recruitment and retention has been and will continually be the subject of review. This is a key theme within the recently produced year 2 action plan. The Council is building on the success in some areas will seek to 'grow its own' workforce with the promotion of apprenticeships, the social worker academy and graduate programmes. The Council will seek to continually enhance its culture in order that staff remain in Sefton The Council will work with Liverpool City Region Partners to recruit talent nationally and look at training and development programmes across the region that will be attractive to potential candidates 		
Risk Owner	ED CS&C		
Proposed Actions	<ul style="list-style-type: none"> The action plan for the workforce strategy details the key activities that will be undertaken to maximise the council's position in the workforce market. Extensive work has been undertaken within Children services over the last 36 months to ensure that a skilled and stable workforce can be recruited to and retained. This includes a full review of pay and benefits the development of the social worker academy and the recruitment of overseas social workers. this work will continue to support the service and similar activities and innovation will take place across the council Work has commenced with Liverpool John Moore's University to determine how pathways can be opened for graduates to join the council both on interim placements and full-time employment 		

Appendix A - Corporate Risk Register December 2024

Risk Description	Previous risk score	Current risk score	Target risk score
<p>Inability to deliver the requirements and commitments for the Growth Programme and its associated Projects.</p>			
<p>Causes</p>	<ul style="list-style-type: none"> • Required Capital and Revenue funding not available to deliver the projects for Economic Recovery and Growth. This can be due to unavailability or timing of funds available. • External pressures affecting the construction sector, leading to challenges to project deliverability, affordability or timescales. This includes inflationary cost pressures; insufficient market capacity, contractor availability and contractor capacity; insufficient availability of materials and/or labour; delayed lead-in times for materials or services; rising prices for services, materials and equipment. • Insufficient internal staffing resource, hindering effective and timely delivery. 		
<p>Result</p>	<ul style="list-style-type: none"> • Increased business failure • Reputational Damage especially on projects declared already in the public domain. • Increased unemployment • Financial and reputational risks to the Council • Impact on communities. • Loss of reputation • Impact of wider economic change on residents, particularly the most vulnerable 		
<p>Current treatment and controls</p>	<ul style="list-style-type: none"> • Growth Programme and associated Governance and project controls. • Bid process and expertise applied to all existing and new funding opportunities. • Members approval and prioritisation of existing and new projects. • Constant and consistent evaluation and use of Growth Budget. • Opportunities in respect to Capital receipts from asset disposal. 		
<p>Risk owner</p>	<p>ED Regeneration, Economy & Assets</p>		
<p>Proposed actions</p>	<ul style="list-style-type: none"> • # Note - Immediate review of the Government White Paper on Levelling Up to ensure timely advantage taken of any funding opportunity. • Actively pursue all additional funding available in timely and at the earliest opportunity. • Create and make available Bid Team focused on and challenged with successful bids. • Establish Project Review forums and reporting mechanisms for early visibility of reporting of project progress and any emerging issues - on a project-specific and programme-wide basis. • Proactive external engagement with construction sector and key partners (e.g. LCR CA) to ensure visibility and understanding of risks to the sector and potential mitigants. • Develop and implement procurement strategy to ensure sustained competition, robustness of process and suitable partners for project delivery - Currently being actioned. • Further refine and strengthen capital project planning, delivery and governance measures 		



Department for Levelling Up,
Housing & Communities

Simon Hoare MP
Minister for Local Government
2 Marsham Street
London
SW1P 4DF

Leaders of Unitary and Upper Tier Authorities in
England

18 January 2024

Dear Leaders,

I wish to draw your attention to the recommendation in Simon Bailey's Independent Review of the Disclosure and Barring Regime (18 April 2023) concerning the eligibility of local councillors for criminal record checks. The review is available online at:

<https://www.gov.uk/government/publications/independent-review-of-the-disclosure-and-barring-regime>

The purpose of the review, commissioned by the Home Office, was to provide assurance to Ministers about the effectiveness of the disclosure and barring regime in safeguarding children and vulnerable adults. Part of the review considered the regime with regard to eligibility of local councillors for criminal record checks provided by the Disclosure and Barring Service ('DBS checks').

With specific reference to local authorities, the review made the following recommendation:

Recommendation 5: Local councillors

I recommend that an enhanced criminal record check is made mandatory for all councillors in Unitary and Upper Tier Authorities who are being considered for appointment to any committee involved in decisions on the provisions of children's services or services for vulnerable adults. I accept that this would require legislation and therefore some inevitable delay, so I further recommend that these authorities are encouraged to adopt this procedure as best practice pending legislation.

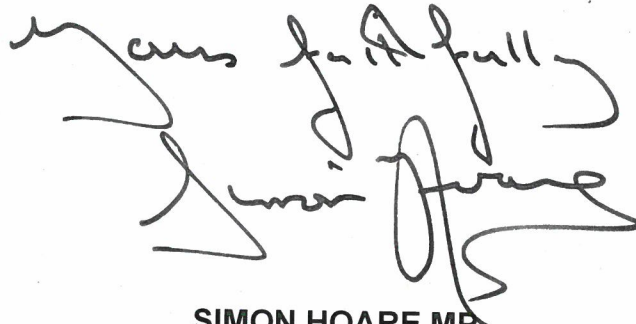
Government strongly supports the recommendation and I urge an enhanced DBS check to be adopted as best practice for all councillors being considered for appointment to any committee which discharges education or social services functions. Such roles are eligible for enhanced DBS checks, and it is within the power of relevant authorities to implement this best practice. My clear view is that there is reputational benefit in councils being both consistent and robust on adopting this best practice recommendation given the high profile of cases, rightly so, when things go wrong.

In the meantime, the Government will keep under review the case for mandating enhanced criminal record checks for all councillors falling into the categories identified by Bailey's recommendation 5 above.

Agenda Item 5

I feel strongly that adopting as best practice enhanced DBS checks for all councillors serving on committees with responsibilities for children's services or services for vulnerable adults is important to ensure public confidence in political representatives. I would be grateful if the content of this letter could be brought to the attention of those officers with responsibilities for these matters.

This letter will be published on GOV.UK.

A handwritten signature in black ink, appearing to read 'Simon Hoare', written in a cursive style.

SIMON HOARE MP
Minister for Local Government

Report Title: Risk and Audit Performance Report

Date of meeting:	11 December 2024		
Report to:	Audit and Governance Committee		
Report of:	Executive Director – Corporate Services and Commercial		
Portfolio:	Corporate Services		
Wards affected:	(All Wards)		
Is this a key decision:	No	Included in Forward Plan:	No
Exempt/confidential report:	No		

Summary:

This report details the performance and key activities of the Risk and Audit Service for the period 1 August 2024 to 31 October 2024.

The report also discusses the resourcing position across the Team as well as in particular the Internal Audit Team, the response and the actions planned for the rest of the financial year.

Recommendation(s):

Members are requested to:

(1) Note the progress on the 2024/25 Internal Audit Plan from 1 August 2024 to 31 October 2024.

(2) Note the contributions made by the Health and Safety, Insurance, Assurance and Risk and Resilience teams in facilitating the management of the Council’s key risks.

Agenda Item 9

1. The Rationale and Evidence for the Recommendations

1. Introduction

- 1.1 The Risk and Audit Service is managed by the Chief Internal Auditor, who reports to the Executive Director of Corporate Services and Commercial through the Finance Service Manager.
- 1.2 The mission of the service is “to deliver a first-class risk and audit service that is highly respected and valued by Sefton and is the envy of our peers”.
- 1.3 The Service has the following objectives:
 - To lead the Council in embedding a system of internal control and risk management that facilitates the achievement of the organisation’s objectives.
 - To be a valued corporate influence in promoting the due consideration of risk in Council decisions, strategies, and plans.
 - To align the service with the Council’s changing needs.
- 1.4 In delivering this mission and objectives, the Service encapsulates the following teams:
 - Internal Audit
 - Health and Safety
 - Insurance
 - Risk and Resilience
 - Counter Fraud
- 1.5 This report summarises the main aspects of the performance of the Service during the period 1 August 2024 to 31 October 2024, and gives members a detailed overview of the following areas:
 - Internal Audit:
 - o work undertaken in the period, including a summary of work and an
 - o outline of the high priority recommendations made
 - o performance against Key Performance Indicators
 - o developments relating to this part of the Service
 - Health and Safety, Insurance, Assurance and Risk and Resilience:
 - o work undertaken in the period, with key data provided
 - o developments relating to these parts of the Service
- 1.6 The report concludes by looking ahead to the forthcoming activities being undertaken by the service.

2. Financial Implications

There are no financial implications rPage 32m the report.

3. Legal Implications

There are no direct legal implications

4. Corporate Risk Implications

There are no risk implications from the report. The Audit Team undertake reviews in accordance with the internal audit plan approved by the Audit and Governance Committee. A central theme of the Audit Plan was designed around the risk and controls in the Corporate Risk Register.

5 Staffing HR Implications

The report outlines the current recruitment activity across the Risk and Audit Team to appoint to existing positions and to positions created in a re-structure. The re-structure was designed around the existing budget and the redeployment of staff where affected into priority activities with no additional costs.

Alternative Options Considered and Rejected

None

Equality Implications:
There are no equality implications.
Impact on Children and Young People:
There are a number of Children's Services related risks in the Corporate Risk Register which the audit plan is designed to provide assurance on.
Climate Emergency Implications:
The recommendations within this report will have a positive impact. The Risk and Audit Team has been working mainly from home with exception of the Health and Safety Team who undertake periodic inspections of Council buildings to provide guidance and support. The working from home has reduced the teams commuting and therefore carbon footprint. The revised working practices will continue with the Council's agile working policy although the footprint will slightly increase at this point as staff move back to the office at an agreed frequency. One of the audits within the 2022/23 approved audit plan as well as 2023/24 is Climate Change which will provide assurance on the Council's response to the Climate Emergency. Future reviews will take place as this remains a strategic risk for the Council.

What consultations have taken place on the proposals and when?

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(A) Internal Consultations

The Executive Director of Corporate Services & Commercial (FD.7870/24) and the Chief Legal and Democratic Officer (LD.5970/24) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision:

Following the expiry of the “call-in” period for the Cabinet decision.

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Appendices:

The following appendices are attached to this report:

- Risk and Audit Service Performance Report

Background Papers:

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

- Internal Audit Plan 2024/25 (as approved by this Committee on 13 March 2024)

Risk and Audit Service: Performance

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Audit and Governance Committee
11 December 2024

David Eden
Chief Internal Auditor
Risk and Audit Service
Corporate Resources
Magdalen House
30 Trinity Road
Bootle
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Agenda Item 9

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1. Executive Summary

1.1 This report summarises the performance and activity of the Risk and Audit Service for the period 1 August 2024 to 31 October 2024.

1.2 The report covers each of the areas of the service:

- Internal Audit
- Health and Safety
- Insurance
- Risk and Resilience.
- Counter Fraud

1.3 The report highlights the following key points:

- This has continued to be a busy period for the Service, with the completion of a number of key pieces of work. The performance indicators and key data in this report reflect this positive progress.
- The service continues to seek to support the effective management of risk, which is especially pertinent as the Council transforms.
- The development of the service continues, with a number of improvements having been completed in the period.

2. Introduction

- 2.1 The Risk and Audit Service is managed by the Chief Internal Auditor.
- 2.2 The mission of the Service is *“to deliver a first-class risk and audit service that is highly respected and valued by Sefton and is the envy of our peers”* and the Service has the following objectives:
- To lead the Council in embedding a system of internal control and risk management that facilitates the achievement of the organisation’s objectives.
 - To be a valued corporate influence in promoting the due consideration of risk in Council decisions, strategies, and plans
 - To align the service with the Council’s changing needs.
- 2.3 In delivering this mission and objectives, the Service encapsulates the following teams:
- **Internal Audit** – this statutory service provides the internal audit function for all areas of the Council, including maintained schools. Internal Audit can be defined as: “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. Internal Audit 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.” (Public Sector Internal Audit Standards)
 - **Health and Safety** – supports Council officers and members in providing an effective health and safety management system that meets the Council’s statutory health and safety duties; thereby controlling the risks of injury and ill health to staff and others affected by the Council’s activities.
 - **Insurance** – fulfils the duty to provide an appropriate insurance service for the Council, including claims management, advice on insurance issues and the management of insurable risk.
 - **Risk and Resilience** – develops risk management and mitigation strategies for the Council on emergency planning (ensuring that the Council meets its statutory responsibilities as a Category 1 responder under the Civil Contingencies Act 2004), public safety and business continuity issues.

- **Counter Fraud Team** – will develop a Counter Fraud strategy and co-ordinate the development of counter fraud services across the Council.

1.4 This report summarises the main aspects of the performance of the Service for the period 1 August 2024 to 31 October 2024, covering the following areas:

- Internal Audit:
- work undertaken in the period, including a summary of work completed and an outline of the high priority recommendations made.
- performance against Key Performance Indicators
- anti-fraud update
- developments relating to this part of the Service.
- Health and Safety, Insurance, Risk and Resilience and Assurance and Counter Fraud:
- work undertaken in the period, with key data provided where applicable.
- developments relating to these parts of the Service.

2.5 The report concludes by looking ahead to the challenges which will be addressed in the forthcoming period.

3. Internal Audit: Performance Update

3.1 Completion of Audit Plan

Since the last update to the Committee, the team have progressed a range of engagements. The table below outlines the audits in the Audit Plan that have progressed during the year. For engagements where a draft or final report is issued, the Audit Opinion and number of recommendations are identified.

Audit Engagement	Audit Opinion	Recommendations			Current Audit Engagements		
		High	Medium	Low	Draft	Final	Progress since last update
Freshfield Primary	Moderate	0	1	3	26-02-24		Draft Report issued, 23/24 Audit plan
Our Lady of Walsingham Primary School	Moderate	0	2	1	19-04-24		Draft Report issued, 23/24 Audit Plan
Our Lady Queen of Peace	Minor	0	1	1	19.04.24	03.10.24	Final Report issued, 23/24 Audit Plan
St Philips CE Primary	Moderate	0	1	3	19.04.24		Draft Report issued, 23/24 Audit Plan
St Lukes Primary School	Moderate	0	5	1	11.07.24	27.09.24	Draft Report issued, 23/24 Audit Plan
Ursuline Primary School	Minor	0	2	1	10.07.24	25.09.24	Final report issued. 23/24 Audit Plan
Trinity St Peter	Minor	0	0	4	13.05.24	18.10.24	Draft report issued. 23/24 Audit Plan
Greenacre	Minor	0	1	1	13.06.24	28.10.24	Final report issued. 23/24 Audit Plan
English Martyrs	Minor	0	0	1	19.06.24	25.09.24	Final report issued. 23/24 Audit Plan

Audit Engagement	Audit Opinion	Recommendations			Current Audit Engagements		
		High	Medium	Low	Draft	Final	Progress since last update
Christ the King	Minor	0	1	3	19.06.24	17.10.24	Draft report issued. 23/24 Audit Plan
Farnborough Road School	Minor	0	0	2	02.10.24	17.10.24	Draft report issued. 23/24 Audit Plan
Holy Family Primary	Minor	0	0	2	02.10.24	13.11.24	Final report issued. 23/24 Audit Plan
St Philips Southport	Moderate	0	2	1	17.10.24	28.10.24	Final report issued. 23/24 Audit Plan
Redgate Primary School					03.10.24		Draft Report issued.23/24 Audit Plan
Freedom of Information	Major	1	7	1	02.09.24	30.09.24	Final report issued. 24/25 Audit Plan
ASC Recruitment					02.09.24		Draft report issued.24/25 Audit Plan
Council Tax	Minor	0	0	3	30.09.24	08.10.24	Final report issued.24/25 Audit Plan
Bulky Waste					14.11.24		Draft Report issued 24/25 Audit Pan
High Needs Funding					23.10.24		Draft Report issued 23/24 Audit Plan
Sundry Debtors	Minor	0	0	2	16.10.24	18.10.24	Final Report issued 24/25 Audit Plan
Sandway Homes – Risk Management					16.10.24		Draft Report issued 24/25 Audit Plan
Children's Social Care Procurement					18.11.24		Draft report issued 24/25 Audit Plan
Major Capital Schemes Procurement					21.10.24		Draft report issued 24/25 Audit Plan
Higher Needs Funding					25.10.24		Draft Report issued 23/24 Audit Plan

Audit Engagement	Audit Opinion	Recommendations			Current Audit Engagements		
		High	Medium	Low	Draft	Final	Progress since last update
Early Help and Aiming High					25.10.24		Draft Report issued 23/24 Audit Plan
Fuel Cards	Major	3	5	2	18.07.24	30.08.24	Final Report issued. 24/25 Audit Plan
ASC – Inspection Preparation	Negligible	0	1	0	29.07.24	14.10.24	Final report issued, 23/24 Audit Plan
Bootle Golf Club							Draft report issued. 24/25 Audit Plan contingency
Risk Management Health Check	n/a				29-04-24		Draft report issued to Chief Internal Auditor for consideration. Five short- and medium-term recommendations and two longer term recommendations. Response has been provided to external contractor.
Tree Management (External Review)					Following up with Management to ensure that recommendations from the review will be addressed. Historically there has been a fragmented approach to tree management which the review has identified and tried to address. The Risk and Audit Team have produced a joint report with Green Sefton, that was presented to ELT for discussion in December 2023. The outcome if that the Assistant Director of Operational In House Services is the duty holder for trees and the report has been shared with the aim that this is included within the proposed workplan to implement tree management across the Council.		
Code of Conduct					Draft report prepared		
Credit and Debit Cards					Draft report prepared		
Alleyway Waste Management					Draft report prepared.		

Audit Engagement	Audit Opinion	Recommendations			Current Audit Engagements		
		High	Medium	Low	Draft	Final	Progress since last update
Health and safety Across major project					Planning undertaken however management have requested to delay the commencement of the review until another review completed.		
Marine Lakeside Event Centre					Planning undertaken however management have requested to delay the commencement of the review until another review completed.		
Various schools 24/25					Testing underway		
Major Capital Schemes Procurement					Draft report being completed		
Supplier Management					Testing commenced		
Sefton New Directions - workforce					Testing commenced		
Planning Financials					Draft report being prepared		
Children with disabilities					Planning commenced on review		
Highways – Car parking					Planning started		
Emergency Planning					Planning started however review pushed back to Q4 to accommodate start of new Emergency Planning resource		
ASC - Out of Area Placements					Testing commenced on review. Delay due to staff focused on CQC preparation.		
Home to School Transport					Planning undertaken and completed. Review being undertaken by Commercial Services and audit postponed until February 2025.		
Community Football Pitches					Planning commenced on review. Postponed following notice that key staff unavailable to sign off the brief and provide information.		

Audit Engagement	Audit Opinion	Recommendations			Current Audit Engagements		
		High	Medium	Low	Draft	Final	Progress since last update
					Audit testing re-started following return of staff.		
ASC NHS Contributions					Testing underway.		
Direct Payments					Planning underway		
Consultancy / Management Support – Children’s Services					Finalising revised draft reports for fact finding exercise regarding contract expenditure, procurement of agency workers; Code of Conduct and mandatory training.		

Details of the grants certified are detailed in the table below.

Grants Certified	Value Certified
Urban Traffic Control 2023/24 - Q4 Grant Claim	£141k
Maritime Corridor Grant 2024/25 – Q1 Claim	£221k
Bootle Area Action Plan 2024/25 - Q1 Claim	£117
Bootle Area Action Plan 2024/25 - Q2 Claim	£3.5k
Maritime Corridor Grant 2024/25 – Q2 Claim	£337k
CRSTS Highways and Non-Highways Maintenance Work 2024/25 – Q2 Claim	£2.5 million
Bootle Area Action Plan 2023/24 - Q4 Claim	£22k
BP20 Heritage Project	£14k
Local Transport Capital Block Funding (Pothole Fund) 2023-24	£625k

Grants Certified	Value Certified
Traffic Signal Obsolescence Grant (TSOG) and Green Light Fund (GLF)	£0k

3.2 High Priority Recommendations

There are the following high priority recommendations made in the final reports issued since the last update to the Committee.

Freedom of Information

- Each service should assess whether a sufficient number of FoI responders and FoI authorisers have been allocated to ensure compliance with the 20-day response deadline and allocated additional FoI responders and authorisers where required. In particular, Education Excellence and Children’s Services in light of their FoI performance should increase the number of FoI responders.

Fuel Cards

- Management should update the Financial Procedure Rules to include the use of fuel cards in the same manner as debit cards, purchase cards and petty cash.
- Management should carry out a procurement exercise in accordance with Corporate Contract Procurement Rules to ensure that expenditure on fuel cards is value for money and in accordance with the Council’s policies.

Management have drafted revised Financial Procedure Rules which include fuel cards and is due to be presented to Audit and Governance Committee in December 2024. A procurement exercise is being planned for the fuel cards.

3.3 Commissioned Health Check Review of Risk Management undertaken by Gallagher Bassett

The response to the draft report received on 29 April 2024 has not been completed at the time of writing the report and shared with Gallagher Bassett however the key recommendations include:

- Providing more developmental opportunities for staff at all levels to raise understanding particularly amongst front line leaders.
- Updating the Corporate Risk Management Handbook (and appendices) so that it is more user friendly and is clearly recomunicated and available.
- Raising the profile of risk management by publicly celebrating risk management successes within the Council, as well as publishing lessons learned from failures.
- Identifying ways of integrating risk management more overtly so people are aware it’s importance within their roles.
- If cross cutting operational risks are being adequately identified and evaluated in a collective / corporate way.
- In the longer term continue to develop the suite of KPI’s associated with measuring the performance of the risk management journey and how it can be used more proactively to exploit opportunities.

A response has been provided to Gallagher Bassetts and a further update after the final report has been agreed will be provided to Members at the March meeting.

3.4 2023/24 Resources and Performance

The following table outlines the Audit Team’s performance against the Key Performance Indicators outlined in the Audit Plan agreed by the Committee in March 2024.

Description and Purpose	Target	Actual	Variance and Explanation
<p>This measures the extent to which the Internal Audit Plan agreed by this Committee is being delivered. The delivery of the Plan is vital in ensuring that an appropriate level of assurance is being provided across the Council’s systems.</p> <p>Percentage of Audit Plan completed.</p>	<p>See graph below.</p>	<p>See graph below and narrative.</p>	<p>% variance. Figures and commentary to be provided at Committee.</p>

Description and Purpose	Target	Actual	Variance and Explanation
<p>Percentage of Client Survey responses indicating a “very good” or “good” opinion</p> <p>This measures the feedback received on the service provided and seeks to provide assurance that Internal Auditors conduct their duties in a professional manner.</p>	100%	80%	
<p>Percentage of recommendations made in the period which have been agreed to by management.</p> <p>This measures the extent to which managers feel that the recommendations made are appropriate and valuable in strengthening the control environment.</p>	100%	100%	No variance

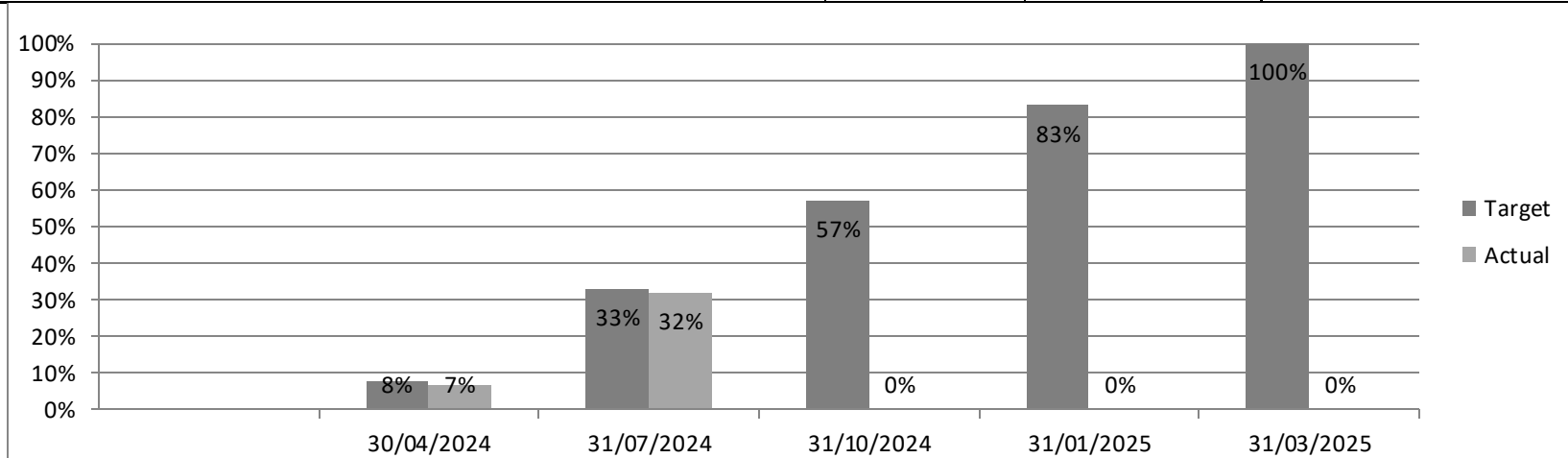


Fig 1: % of 2024/25 Internal Audit Plan completed as at 31 July 2024.

As reported previously to the Committee, in January 2024, a Principal Auditor joined the team, and we have also obtained the services of a second new agency Principal Auditor for up to six months from June 2024 who joined a first temporary Principal

Auditor who started in April 2024. Currently, the team comprises Audit Manager, four Principal Auditors of which two are temporary, a new CIPFA trainee and a vacancy for a Trainee ICT-Auditor.

- A new CIPFA trainee joined the Audit team in April 2024 and a handover of responsibilities has occurred from the previous post holder.
- As per the 2024/25 Audit Plan resources two temporary Principal Auditors have been recruited with one in April 2024 and a second in June 2024. Although the recruitment market for temporary auditors is better than in recent years there is a lack of deeply experienced and qualified staff in the market particularly at the current salary point used for temporary staff and there is significant opportunity for candidates in the market to obtain premium “day rates” from other Public Sector bodies. One of the two temporary staff members has since left the organisation and the team are currently recruiting to fill this vacancy.
- Following the re-structure discussed in the last update the previous Trainee ICT Auditor has moved into another post in the Risk and Audit Team and we have advertised and appointed a Trainee ICT Auditor working through the local universities. The post holder started in September 2024 and has made a good start.
- We are currently recruiting to fill the last vacancy from the re-structure, a Principal Auditor, and despite four rounds of using Jobs Go Public we have been unable to find a suitable candidate and are currently exploring with agencies although early signs are indicating that it will remain challenging to fill.
- In addition, one of the Principal Auditors retired in October 2024.
- For the period 1 April to 31 October 2024 there were 131 missed days due to sickness. A long-term absence is expected to return to work at the end of November 2024.
- The re-structure of the Risk and Audit Team has implications for the Audit Team which includes a new Principal Auditor and the recruitment to the existing Trainee ICT Auditor post as the post holder moves to another position within the Risk and Audit Team. As we recruit to fill these gaps it should be noted that the focus will be on operational delivery, whilst new members of the team gain the necessary experience and skills.
- There is likely to be some re-scheduling of audits depending on recruitment.
- In summary we have been struggling with the recruitment to find suitable candidates for the permanent Principal Auditor and the plan we had at the start of the year to have temporary staff to provide contingency cover has partially worked. The Trainee ICT Auditor post has been successfully recruited to however we are looking for a different set of candidates to fill this role (graduates. Absence has impacted on the team, particularly the requirement to manage the team closely to allocate the right resources to projects and managing time against the budget set.

3.5 Public Sector Internal Audit Standards (PSIAS)

In March 2018 the Internal Audit Service was externally evaluated against the PSIAS and was found to generally comply. We report annually to the Committee on our progress and develop an Improvement Plan to further enhance our systems and processes. During 2022/23, the planned external assessment could not be conducted, due to resourcing issues, which has impacted our five-year planning cycle and as a result the service no longer complies with the PSIAS. Despite this, we have completed our annual self-assessment, which will inform our ongoing improvement efforts. Some of the improvements are reported below in 3.10. We are now scheduling an external validation for Q4 2024/25 to ensure compliance with the standards and have contact CIPFA to obtain a review.

3.6 Institute of Internal Auditors International Professional Practices Framework

Internal audit professionals around the globe rely on the International Standards for the Professional Practice of Internal Auditing (Standards) and the International Professional Practices Framework (IPPF) to help navigate the complex world of risk management, governance, and control. For more than a generation, these documents from The Institute of Internal Auditors (IIA), which flow through to the UK Public Sector Internal Audit Standards, have guided practitioners in providing internal audit assurance and advice that is independent, objective, effective, efficient, ethical, and of the highest quality.

We reported in December 2023 that the IIA had released a draft that dramatically changes how the *Standards* and other elements of the IPPF are presented and explained. The new *Global Internal Audit Standards*[™] more clearly articulate the keys to effective internal auditing by grouping the *Standards* into five domains:

- Domain I: Purpose of Internal Auditing
- Domain II: Ethics and Professionalism
- Domain III: Governing the Internal Audit Function
- Domain IV: Managing the Internal Audit Function
- Domain V: Performing Internal Audit Services

In January 2024, the Global Internal Audit Standards were issued which will replace the 2017 International Standards for Professional Practice. The 2017 Standards remain in effect for a 12-month transition period until 9 January 2025. The standards apply to any individual or function that provides internal audit services. The Chief Internal Auditor is accountable for the internal audit function's implementation of and conformance with all principals and standards. All internal auditors are

responsible for conforming with the principals and standards relevant to performing their duties. CIPFA have confirmed that revised Public Sector Internal Audit Standards are being developed and will be effective from 1 April 2025.

On January 9, 2024, the Global Internal Audit Standards (GIAS) were issued, which are set to become effective globally on January 9, 2025. These standards, developed by the Institute of Internal Auditors (IIA), will replace the existing International Professional Practice Framework (IPPF), forming the basis for the current UK Public Sector Internal Auditing Standards (PSIAS). This transition marks a significant shift in the regulatory landscape of internal auditing within the UK public sector.

The Relevant Internal Audit Standard Setters (RIASS), comprising HM Treasury, the Scottish Government, the Department of Finance Northern Ireland, the Welsh Government, the Department of Health and Social Care, and the Chartered Institute of Public Finance and Accountancy (CIPFA), have agreed to adopt the new GIAS. This collaboration underscores a unified approach towards enhancing internal audit practices across central government, local government, and the health sector within the UK.

The UK Public Sector Internal Audit Standards Advisory Board (IASAB) has been tasked with reviewing the new standards to tailor them for UK public sector use. This involves identifying sector-specific interpretations and additional material to ensure the standards' applicability and effectiveness. The IASAB aims to issue consultation material by September 2024, allowing for at least an eight-week consultation period to gather feedback from stakeholders in the UK public sector internal auditing community.

Additionally, CIPFA is introducing a Code of Practice for the Governance of Internal Audit in UK Local Government. This new code will align with the GIAS, ensuring that internal audit governance within local authorities meets robust standards. The code aims to establish conditions for effective internal audit arrangements, supporting resource optimization and robust governance.

CIPFA's proposed code addresses the governance of internal audit, detailing responsibilities for heads of internal audit and those charged with governance within local government bodies. The code draws on existing CIPFA guidance and sets forth a roadmap to achieve conformity with the global standards but tailored specifically for UK local government needs. This initiative also includes practical guidance for local authorities, ensuring that audit committees and senior management understand the critical role and value of internal audit functions.

The transition to the new standards is scheduled for April 1, 2025, aligning with the financial year and facilitating smooth integration into annual audit planning and governance frameworks. Both the IASAB and CIPFA will conduct consultations in

the autumn of 2024 to finalize the standards and the code of practice, ensuring comprehensive engagement with all relevant stakeholders.

3.7 **Developments and Improvements**

We reported in December 2023 that an improvement plan for Internal Audit had been developed. Since the last Audit and Governance Report, Internal Audit has:

- Involvement in the development of an across Risk and Audit Report on Driving Standards and their implementation including eligibility and competency of staff to drive Council vehicles including the use of electric vehicles
- Continued to monitor staff wellbeing during the prolonged period of home working maintaining frequent regular contact with all team members.
- Completed induction process for one new temporary Principal Auditor.
- Recruitment for Trainee ICT Auditor and staff member appointed
- Recruitment for Principal Auditor started
- Continued to implement dedicated team office days to further strengthen our already strong team dynamics.
- Team is now focused on delivering the revised 2024/25 Audit Plan.
- Trialling shorter weekly update meetings with the team.

In the next quarter, the planned development for the service includes:

- Continue with preparations for upcoming Public Sector Internal Audit External Assessment due in coming year.
- Continue with the implementation of the Internal Audit Improvement Plan.
- Begin the process of reviewing the Global Internal Audit Standards to identify gaps in current processes and documentation and add to the existing Internal Audit Improvement Plan.
- Review the approach to school audits.

4. Health and Safety: Performance Update

4.1 Progress

- 4.1.1 The Corporate Health and Safety team consists of four team members, supporting nearly 8,000 staff (including maintained school staff and schools with a Service Level Agreement) in day-to-day health and safety, advising on accidents, incidents and investigations as well as playing the lead role in seven Health and Safety Sub Committees and the main Corporate Health and Safety Committee. This includes providing advice relating to agency staff, contractors and volunteers working on behalf of the Council. The team is also involved in advising upon events (internally led and external) that occur on council land, as well as overseeing the authorisation process of school visits where they are of an adventurous, overseas or residential nature.
- 4.1.2 The Team continues to deliver a range of services across all departments and schools, which can generally be divided into three main areas:
- Policy and communication.
 - Operational reactive and proactive response.
 - Active monitoring.
- 4.1.3 Health and safety objectives and key performance indicators have been aligned to the council's 'Vision 2030' and 'One Council' initiatives and core values. These are continually reviewed and drive the programme of work, not only for the team but for services areas through the health and safety sub-committees.
- 4.1.4 Health and safety consultation arrangements remain in place, with the Corporate Health and Safety Committee (CHSC) playing a key role in conjunction with the Departmental Health and Safety Sub-Committees. The next scheduled CHSC meeting will take place in December 2024. Several departmental sub-committees are held and attended by the Team ahead of the CHSC meeting where salient points raised feed into the main meeting for further discussion and consideration. The structure provides a good avenue for the dissemination of information relating to that particular department and the wider dissemination via the full Committee.
- 4.1.4 The Corporate Health and Safety Policy has been reviewed and updated and now includes measures to bridge a number of loopholes created by current health and safety SLA arrangements. The Policy will be presented to Cabinet for approval over the next three months.

- 4.1.5 The Health and Safety Team's improvement plan for 2024/25 is being progressed, with school inspections continuing and relevant staff being advised as to how to achieve better management systems. A key theme from the reviews is the requirement of providing 'suitable and sufficient' risk assessments. April 2025 sees the start of the new service level agreement (SLA) which will see the inspections being less all-encompassing and instead focussing upon high profile hazards for the coming 12 months.
- 4.1.6 The Radiation Protection Officer service was relaunched in November 24 to assure compliance with the storage of low-level radiation products utilised by A level Physics students in schools. Visits are now booked in with the schools in readiness for these visits.
- 4.1.7 Inspections across the civic and Property Service led corporate buildings have taken place with a number of observations being reported back for rectification. Several non-civic buildings are also currently being inspected for statutory compliance.
- 4.1.8 The Health and Safety team continues to engage in a thorough review of asbestos management both in its council buildings and schools. This has involved inspections of premises and their accompanying documentation, as well as reactive response upon discovering issues whilst liaising closely with Building Services. The majority of schools have now received asbestos management training by a third-party trainer. Those who have not yet been through have been highlighted to Education Excellence and have been directed to approach the third party directly to receive the training. A new Asbestos Management Plan has been drawn up for the schools. Adherence and understanding of the plan will be monitored during inspections, where asbestos management forms part of a targeted audit. An adapted plan is currently being developed for Voluntary Aided schools who have invested in the Council's health and safety SLA.
- 4.1.9 There is now a requirement for asbestos management roll out across the corporate estate of the Council for which a report has been compiled for the attention of the Executive Leadership Team. This report focusses upon the need to identify Duty Holders on behalf of the Council, as well as Responsible Persons in relevant buildings. This will allow day to day on-site management once those identified have received relevant training. Upon receipt of nominated names, the Team will coordinate the training with the approved supplier.
- 4.1.10 Following several near misses involving fallen trees, a report was put to Green Sefton, which complimented the requirements highlighted by a previous Gallagher Bassett report, as well as a joint report compiled between Risk and Resilience and Green Sefton in November 2023. The input from the Team has reaffirmed the importance of good tree management with Green Sefton and Senior Management are progressing the work to ensure compliance and to fully embed the tree management legislative requirements.

- 4.1.11 The team is reviewing procedures relating to the management of grey fleet across the council. A briefing and contextual document were provided to the September 2024 CHSC meeting for approval. Comments received are currently being worked upon, with a view to gaining agreement and sign off at the December CHSC. Ongoing work will involve the incorporation of a grey fleet policy and online training.
- 4.1.12 The Team is working with Green Sefton to refresh the existing Open Water Policy for areas such as Crosby Lakeside Adventure Centre (CLAC). The entry into waters by trespassers, especially at CLAC, outside of operating hours, remains a problem during the summer months and brings about responsibilities for the Council under Occupiers Liability Act.
- 4.1.13 The Team continue to be active members of Sefton Event Safety Advisory Group (SESAG), advising stakeholders and event organisers in relation to their responsibilities and best practice. 2024/2025 financial year brought about a full schedule of events held across Sefton's parklands and other associated sites, which included everything from music to comedy, food, drink, flowers, fireworks and air displays. All of these have boosted tourism and rejuvenated some of our more disadvantaged neighbourhoods. Whilst most events are relatively low risk in nature, some of the activities incorporated within may be deemed higher risk and require further consideration. Fair rides, inflatables and daredevil stunts are examples of activities that can raise the risk levels of an event and thereby attract the attention of the Team to ensure that the risks are managed effectively. The volume of documentation that can be submitted for such events can be significant. Following an incident at the 2023 Southport Food and Drink Festival, guidance has been formulated relating to the use of inflatable attractions on Sefton land. The Team is also working in partnership with Green Sefton who advise upon smaller events separately to those that are considered by SESAG.
- 4.1.14 The Team has recently been involved in the initial planning of Martyn's Law which will affect several premises across Sefton's estate. This has led to the identification of those premises and the managers that will be overseeing the process. Free online training programmes have been tested and believed appropriate for incorporation into Sefton's training model. This would require all relevant staff in identified buildings (standard and enhanced tiers) sitting an online course (approx. one hour) in terrorism awareness, with supervisory staff (especially in the enhanced tier) conducting a further one-hour security course.
- 4.1.15 Aggression towards staff and their property remains an issue, with some limited, but serious escalations, including damage to personal vehicles and a threat to cause serious injury. The team has advised in all such cases relating to building security, and target hardening. We continue to work with the affected parties and their managers, whilst keeping a focus upon the wellbeing impacts also. The Council has also developed a new zero tolerance policy signed off by Legal Services and HR and which has been agreed by the trade unions and is being rolled out which will help in part to address the issue.

4.1.16 Focus has concentrated upon general security following the events of Southport and the potential for wider repercussions. A briefing paper was put on the agenda of the September 2024 CHSC, which outlined issues and potential solutions. The Team continues to work with Property Services and others to increase awareness and plug any gaps within our current due diligence.

4.1.17 The team continues to work alongside other Service Areas to review existing practice and establish best practice. Examples of such cross - departmental work include:

- Property Services in relation to the inspection of corporate buildings.
- Various parties on the Workforce Wellbeing Group.
- Operational In-House Services and Environmental Health in relation to an Oil Pollution Plan for incidents occurring on our beaches.
- Operational In-House Services and Communities in relation to RIDDOR, tree management and the correct wearing of PPE amongst waste services.
- Various teams in relation to Martyn's Law.
- The Health Unit – in relation to the establishment of health monitoring and provisions for hand / arm vibration.
- Sefton Cleaning and Catering Service in relation to hazards discovered in some school kitchens.
- Sefton Central Training Unit in relation to hazards found within a former school.

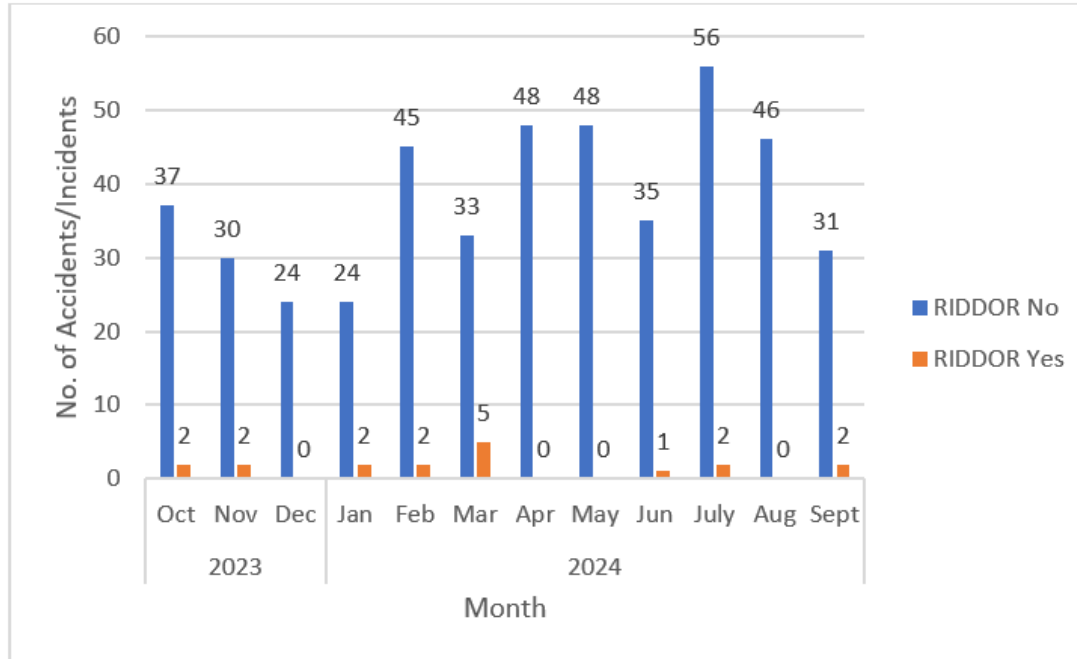
4.1.18 Along with some of the broader projects, the team remains busy with more specific / individual enquiries from both the schools and corporate side. These cover such areas as:

- Accident and incident advice.
- The conducting of Risk Assessments
- School's struggling to access the CLEAPSS and Evolve systems.
- The formulation of training packages in accident and incident reporting and dynamic risk assessment.

4.2 Key Incident Data

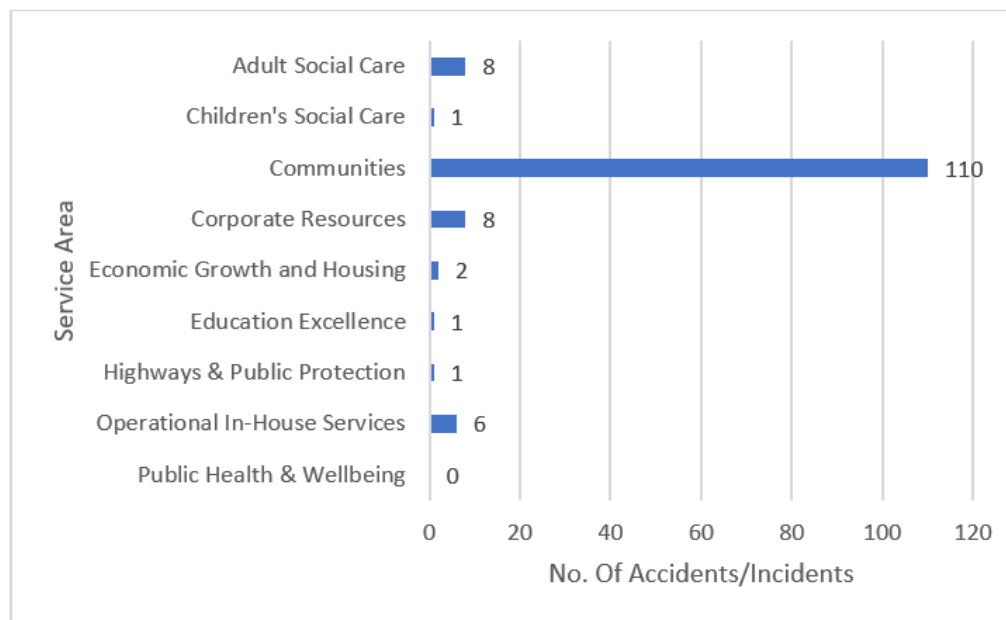
4.2.1 The Health and Safety Team continue to manage the Council's incident reporting system which records work-related accidents and incidents involving employees, agency workers, contractors, volunteers, and members of the public.

4.2.2 Graph 1 below shows the number of Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) against Non-RIDDOR accident and incident data for the Council over the past 12 months, from 1 October 2023 to 30 September 2024.



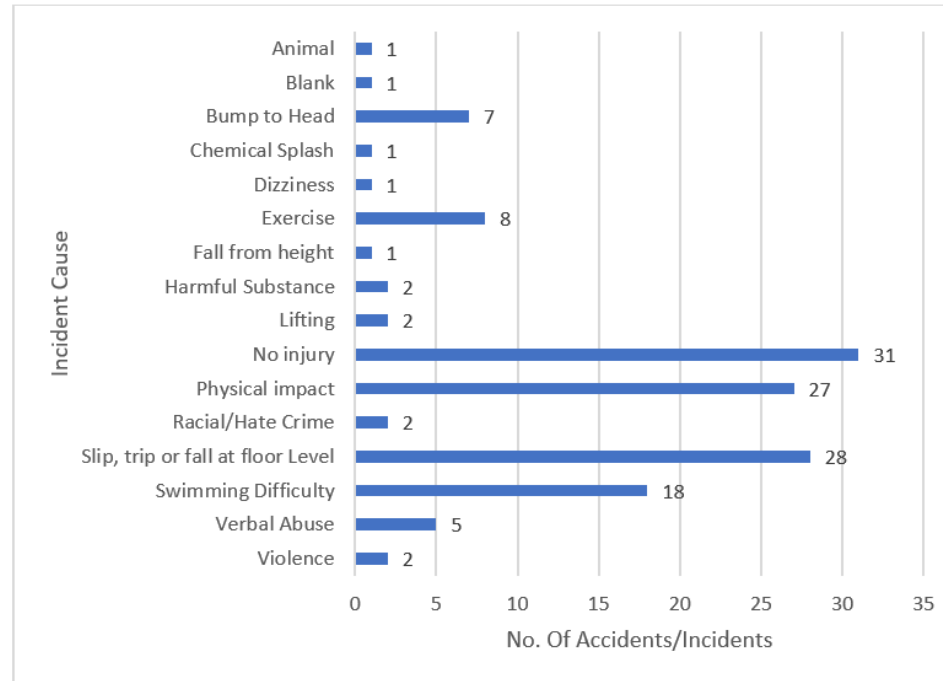
4.2.3 There were 457 reported accidents / incidents for across the last twelve months, with 18 recorded as RIDDOR reportable to the HSE. We continue to promote the requirement for reporting accidents and incidents, as well as mentoring on the quality. There has recently been some interest shown in the reporting methodologies by managers requesting training or access to the reporting system itself. In some instances reports can be brief on details and we continue to find RIDDOR reports being submitted when they shouldn't. This is usually due to an accident occurring in work but not being work related as required.

4.2.4 Graph 2 shows Accident and incident data comparisons for Service Areas between 1 July 2024 and 30 Sept 2024



4.2.5 Communities once again has the highest number of reported accidents and incidents. This is potentially due to a better reporting ethos across those teams, as well as the nature of the activities that they oversee – i.e. slippery surfaces near swimming pools, boisterous behaviour by children etc. There was a slight rise in reporting's by Adult Social Care in the last quarter which has followed campaigns at their sub-committee meetings over several months, however, the figures are still believed low considering the work that they carry out and situations that they encounter. It was noted that 50% of reports submitted by Corporate Resources relate to harassment and aggression to customer facing services. All other services seem low, especially Operational In-House Services, considering they work with equipment and machinery in all weathers and often amongst traffic.

4.2.6 **Graph 3: Reported causes of accidents/ incidents reported across Sefton Council from 1 July 2024 and 30 Sept 2024**

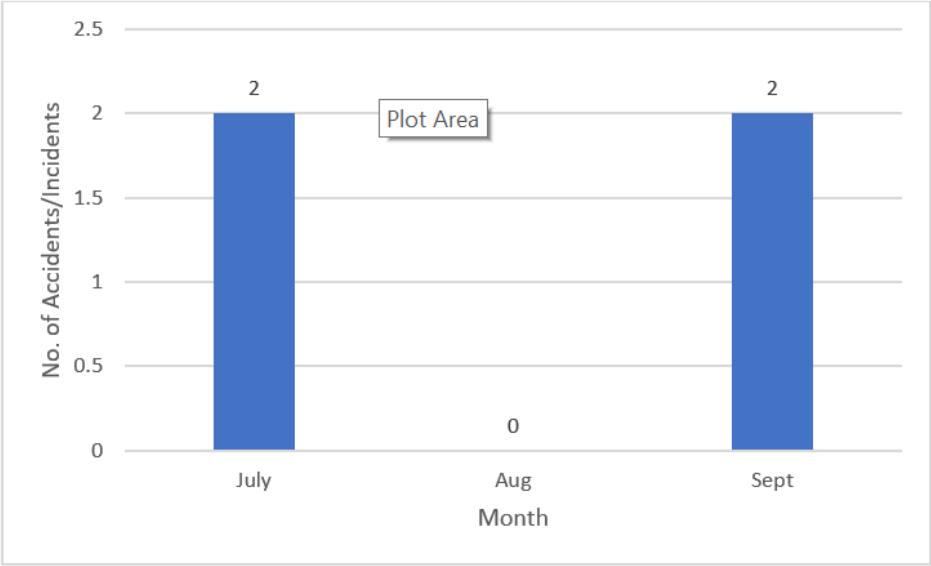


4.2.7 No injury is the highest recorded incident type over the last quarter. This can relate to pure incidents, as opposed accidents, as well as near misses. The high number of no injuries should be seen as a positive as it indicates that staff are still recognising the importance of reporting in the absence of injury. Physical impact and slips and trips at ground level follow closely behind and are always prominent in reported figures.

4.2.8 Harmful substance relates to anti-bacterial gel in the eye and a small fragment of glass in food. Animal relates to a small dog bite causing minor injury. Racial / Hate Crime relates to threats to set fire to Bootle OSS in the aftermath of Southport and a personal vendetta against a staff member near their home address. The chemical splash occurred when a staff member was

replenishing detergent and a small amount splashed into their eye. Violence relates to a member of the public grabbing a staff member's hand and twisting it, as well as an irate and intoxicated service user pushing a staff member several times.

4.2.9 Graph 4: The number of notifications made to enforcement authorities and insurers under the Regulations 2013 (RIDDOR), between 1 July 2024 and 30 Sept 2024



4.2.10 RIDDOR reports generally relate to more serious incidents or where a staff member has been injured and is subsequently absent from work for more than seven days, due to a work-related injury. This is the key part in any RIDDOR consideration - that the injury stems from a work-related injury and not just merely from it occurring in work. This misunderstanding leads to a number of invalid submissions for which again, the Team continues to work with relevant teams to improve understanding by requesting that potential RIDDOR's are first discussed with the Team before they are reported.

4.3 Developments

4.3.1 A reviewed Health and Safety Improvement Plan is now in place, with focus now on delivering that plan. The team will be working with the health and safety sub-committees to develop their own service area improvement plans, considering lessons learnt and areas of good practice.

4.3.2 The Corporate Health and Safety Team will:

- Continue to support managers and head teachers with the review and implementation of satisfactory health and safety management systems.
- Review relevant Health and Safety Standards and Policies, creating and publishing new ones where required. Recently formulated guidance included that relating to conducting home visits, use of inflatables and working from home.
- Continue to review and develop the council wide training needs assessment which will include the creation of accident and incident reporting and dynamic risk assessment into the training provision.
- Focus on improving the accuracy of incident reporting, investigation and implementation of controls and monitoring to prevent reoccurrence. Work with managers to ensure incidents of threatening and abusive behaviours towards staff are reported and investigated.
- Support the review of event management by Green Sefton and Tourism as well as Open Water safety by Green Sefton and Leisure.
- Continue to deliver a health and safety monitoring regime across the council, to schools where the council retains responsibility for the health and safety as the employer and those schools with a Service Level Agreement with the Councils Corporate Health and Safety Team. This will provide assurance that health and safety management systems remain suitable and effective.
- Monitor outdoor education activities, offering advice and reviewing risk assessments for off-site visits and adventurous activities involving young people in schools. This is managed by the EVOLVE system which schools can purchase as part of the Service Level Agreement offering.
- Instigate its responsibilities to conduct visits under the radiation protection officer (RPO) duty in schools.

5. Insurance: Performance Update

5.1 Work Completed

5.1.1 During the period, the following key pieces of work/projects have been undertaken:

5.1.2 The previous update advised that the Team had spent considerable time on preparing for the renewal of insurances for the Council and associated subsidiary companies to be effective from 29 September 2024 and that whilst terms had been received in respect of the Material Damage policy others were still awaited. Terms have now been agreed on the remaining policies, and although reductions were applied due to some schools converting to academy status, overall there was a premium increase of approximately 9% which was reflected mainly by rating increases in wageroll, sums insured and turnover. The current insurance period is the second of a three year long-term agreement, with two one year optional extensions available.

5.1.3 To keep appraised of the introduction and implications of the Procurement Act 2023, which is now due to come into force on 24 February 2025, two members of the Team have undertaken online training via the Government Commercial College facility. The Act, as a UK law, aims to reform the public procurement system to enable more transparency and simplicity of processes.

5.1.4 The Council continues to defend cases robustly to protect the public purse and, where necessary, will enlist the assistance of Weightmans, the Council's liability insurance solicitor, to act in the Council's best interest and provide litigation support for appropriate claims. A number of Trials are listed for the coming months and will be reported on in a future update if they do not settle/discontinue beforehand.

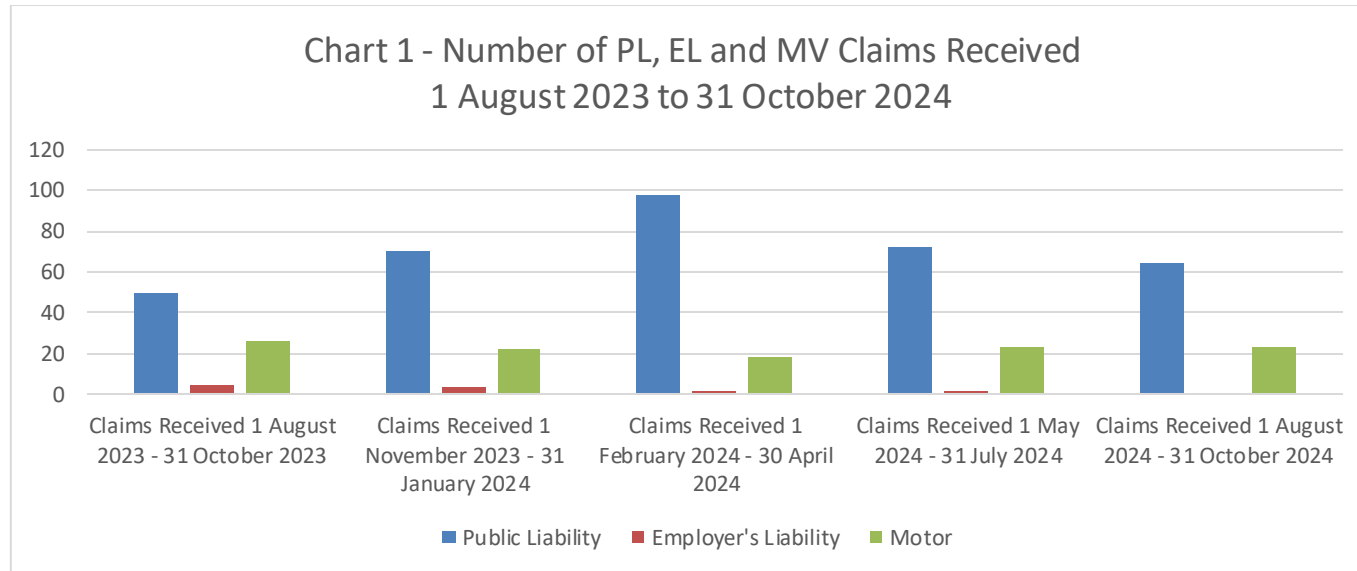
5.1.5 The Insurance Team, where necessary, will continue to work with service areas to improve the management of insurable risk especially in areas where there are high numbers of claims or areas of concern. The Council generally has high defensibility rates, and such risk management activity will assist in maintaining and potentially improving the position further. The Team are currently continuing to work with Highways colleagues in relation to the inspection and risk management of Council car parks.

5.2 Key Claims Data

5.2.1 The following charts outline the insurance performance and include:

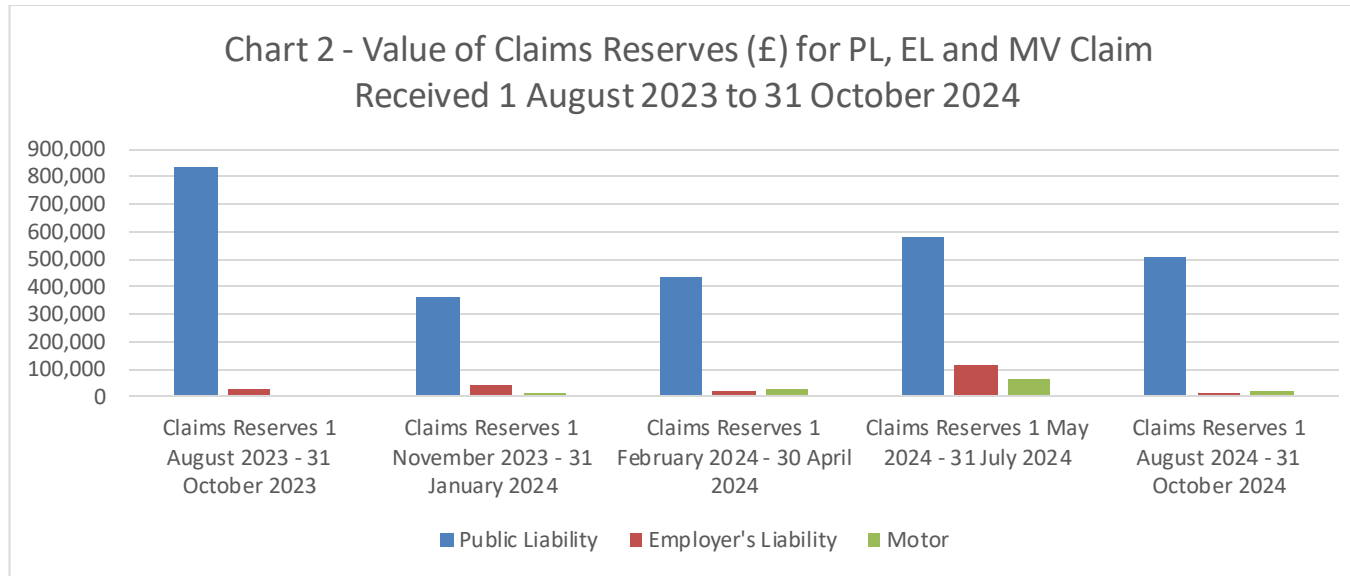
- Numbers of claims for Public Liability (PL), Employers Liability (EL) and Motor (MV) received by Sefton Council for the period 1 August 2023 to 31 October 2024.
- Value of the reserves for PL, EL and MV claims received by Sefton Council for the period 1 August 2023 to 31 October 2024.
- The average reserve value for PL, EL and MV claims received by Sefton Council for the period 1 August 2023 to 31 October 2024.

Chart 1 below outlines the number of claims for PL, EL and MV received for the period 1 August 2023 to 31 October 2024.



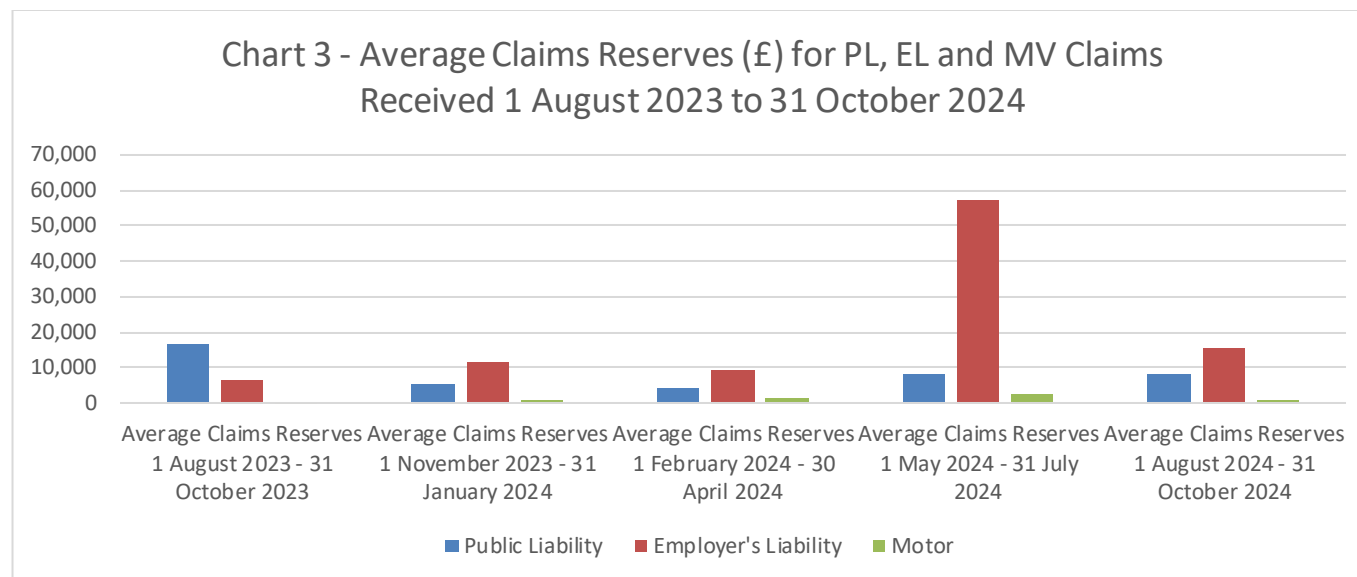
- 5.2.2 The number of PL claims has decreased by 11% since the last quarter and stands at the second lowest of the overall reporting period and at a decrease of 35% from the peak of the middle quarter. Personal injury claims represent 53% of the claims received with the remainder being for third party property damage. Claims for the Highways service area represent 53% of the overall claims received with 59% of these relating to personal injury and 41% to property damage. Claims received for property damage allegedly caused by tree root ingress or fallen branches/trees represents 16% of the overall number of claims received which is an increase of 128% since the last quarter.
- 5.2.3 EL claim numbers are the lowest of the overall reporting period ending at a decrease of 50% from the previous quarter and 80% from the start of the overall reporting period.
- 5.2.4 The number of MV claims has remained constant from the previous quarter although stands at a 12% decrease from the first quarter. Overall, own damage claims count for 44% of the claims received with the remainder being for damage occasioned to third party vehicles. No injury claims have been received. As would be expected, due to the size of the fleet, the Waste and Cleansing service area account for a majority of 61% of the claims received with Green Sefton being the second highest at 17%.
- 5.2.5 The current profile in all three areas presents no cause for concern however claim numbers will be monitored for any changes in trend.

Chart 2 below outlines the value of the reserves for PL, EL and MV claims received for the period 1 August 2023 to 31 October 2024.



- 5.2.6 Claim reserves are allocated by the insurers and/or claims handlers independent of the Council and are determined by the type of injury sustained by the third parties and/or damage occasioned to their property.
- 5.2.7 Following the decrease in claims numbers there is also a decrease of 12% in claims reserves from the previous quarter which end at the third highest of the overall reporting period. In addition to the type of third party injury or damage sustained, the reserves also reflect the addition of further claims received in relation to the class action for historical abuse that has been reported previously.
- 5.2.8 Although EL claim numbers have decreased by 50%, total reserves have decreased by a more sizable 87% since the previous quarter. This is purely a reflection of the nature of the injuries allegedly sustained.
- 5.2.9 MV claim reserves have decreased by 64% since the previous quarter, and although now standing mid-range for the overall reporting period, they are at a significant increase of 273% from the first quarter. As no injury claims have been received, all costs reflect the repair costs to own fleet and third party vehicles.

Chart 3 below outlines the average value of the reserves for PL, EL and MV claims for the period 1 August 2023 to 31 October 2024.



- 5.2.10 The average reserve for PL claims shows a slight decrease of 0.80% since the last quarter, and a decrease of 52% from the start of the overall period.
- 5.2.11 The average reserve for EL claims has decreased by 73% since the previous quarter although this is the second highest of the overall reporting period and an increase of 144% since the first quarter.
- 5.2.12 The average MV claims reserve is the third highest of the overall reporting period, however shows a decrease of 64% from the previous quarter.
- 5.2.13 The claims performance despite the movements remains satisfactory and the trends in claims performance will continue to be monitored.

5.3 Developments

- 5.3.1 The required valuation exercise for the Roman Catholic Voluntary Aided Schools brought into the Council portfolio for material damage insurance in May 2024 has progressed following receipt of the quotation from the preferred supplier, with planned completion in January 2025, and progress will be provided in a future update.

- 5.3.2 The current contract with the Council's Insurance Brokers expires on 31 March 2025. The Team is shortly to commence a procurement exercise, in line with current Contract Procedure Rules, to test the market and attain value for money.
- 5.3.3 An exercise will also shortly be undertaken to gain quotes from various Insurance Brokers to enable an Actuarial Report to be undertaken on the Council's insurance claims. This is a requirement of the Council's External Auditors and will provide an analysis of current claims reserves, a forecast of expected ultimate losses after allowing for volatility and will also comment on emerging risks within the sector. Ultimately it will determine if the Insurance Fund has sufficient reserves to fund current and future claims that may be presented. Following the latest actuarial review of the Insurance Fund it has been determined that additional contributions will need to be made to the Fund to cover the costs of known, anticipated and future claims as well as ongoing insurance premiums. The MTFP for 2025/26 to 2027/28 includes additional investment in the Insurance Fund in 2025/26, with further additional investment from 2026/27.
- 5.3.4 The class action claim for historical claims of abuse previously reported now has a total of 67 sets of allegations. The Chief Legal and Democratic Officer continues to liaise with the Council's solicitors and Counsel and, although only a total of 16 claims have been settled to date, further negotiations are currently underway with regard to other claimants. Interim third party costs have also been agreed on some of the settlements. Discussions will continue as seen appropriate by Weightmans and any progress will be provided in future updates.
- 5.3.5 Three claims have recently been received for an alleged data breach within the Council. Whilst these appear to be of low value, given the circumstances of the breach, and due to the large number of other claims that may be received, consideration will be given to instructing solicitors who have experience in this type of claim to act on the Council's behalf. Initial internal investigations are currently underway and if the matter develops, progress will be reported in a future update.
- 5.3.6 As the Council continues to change and commercialism develops, discussions will continue with the Insurance Broker to ensure that all new risks/liabilities to the Council are identified, and, if required, relevant insurance cover is sourced and procured to provide appropriate protection.
- 5.3.7 The Team, and the Risk & Audit Team in general, will continue to make use of the allocation of free of charge risk management days made available as part of the liability, material damage and motor insurance contracts. These are utilised to provide service areas with training or advice for their specific roles and to strengthen areas of the Council where relevant.

Zurich, the Council's material damage and motor Insurer, also provides risk training and/or advice via a chargeable Risk Fund and discussions will commence on how best this can be utilised and assist the Council in moving forward.

- 5.3.8 To build on the already strong relationships forged, and to ensure the smooth running of all relevant contracts to provide value for money, regular meetings continue with external suppliers to the Team – Brokers, Insurers, Claims Handlers, and Solicitors. Attendance at webinars will also be accepted where content is relevant and of interest to the Team and the organisation as whole.

6. Risk and Resilience: Performance Update

6.1 Work Completed

- 6.1.1 The Risk and Resilience Team (Team) continue to ensure progressive development across the key areas of Business Continuity, Emergency Planning and Risk Management and an improvement plan for each portfolio area has been produced for the forthcoming year.
- 6.1.2 Following the incidents in Southport on the 29 and 30 July 2024, one of the Risk and Resilience Officers has been seconded to work full time in the Southport Recovery Team. The teams supports the multi-agency Recovery Co-ordination Group (RCG) and the specialised subgroups to support those affected by the tragic events. Permission has been provided to recruit

a temporary Risk and Resilience Officer to backfill the post for twelve months. Recruitment took place during September 2024 and the successful candidate has been appointed and started in post at the end of October 2024.

- 6.1.3 In addition to the full time secondee who is working in the Southport Recovery Team, the Team remain and will continue to integrate with the general recovery activities led by the RCG and have attended the Community Impact Assessment training event held 25 September 2024 and regular weekly, now reduced to monthly, RCG meetings.
- 6.1.4 The Emergency Planning function of the Team is delivered at both singular organisation (Council) and multi-agency (Local Resilience Forum) levels. The Team is fully engaged with the planning, preparedness, response, recovery training and exercise activities of both the Council and partner agencies of the Merseyside Resilience Forum (MRF). Sefton's Risk and Resilience Team maintain strong working relationships with other Merseyside local authority colleagues and meet almost weekly via the Merseyside Emergency Planning Officers (MEPO) where we can collaborate on mutual projects to ensure consistency across the region from a council perspective. A member of the Team will also represent the LA on each of the MRF risk themed working groups to fulfil participation in the planning and delivery of multi-agency activities and ensure continuation of partnership links.
- 6.1.5 On 30 September 2024, parts of the Sefton borough suffered severe surface water flooding due to a 24-hour period of sustained heavy rainfall. A Major Incident was declared by Police and Fire Service where several streets around Bulwer Street in Seaforth were impacted by deep flood water and approximately 40 properties suffered internal flood and residents had to evacuate their houses. A Section 19 investigation into the cause of the flooding is in progress currently by Sefton Council Flood and Coastal Erosion Risk Management (FCERM) Team and United Utilities. Sefton council hold the Lead Local Flood Authority duty to investigate when an incident occurs where five or more properties experience internal flooding.
- 6.1.6 The Risk and Resilience Team responded to support the emergency services and the Council's on-call Emergency Duty Officer to arrange temporary overnight accommodation for displaced residents, co-ordinate with the St Leonards Community Centre to provide evacuees with a reception centre where we could assess needs of those who were unable to make their own alternative arrangements. United Utilities hold responsibility for the operational drainage system and were on site at the time, deploying various customer support resources as well as Scottish Power. One Vision who had some of their clients affected also collaborated to support affected residents. Multi-agency meetings were held the following day and continued for the remainder of the week and beyond to assess the short- and medium-term remediation and alternative accommodation options for those impacted. The Council's Communities Service officers have kept a presence on site from the beginning of the incident along with members of the FCERM team and provided liaison into the daily site meetings and internal response

group meetings with the Utilities representatives. Residents and the council have organised and supported 'drop in' meetings using St Leonards as a consistent information hub since then, many of the local authority teams have been involved, Corporate Communications, Housing Options, ELAS, Council Tax, Finance, Social Care, Children's Services, Housing and Investment and other partners and work continues through this Recovery phase which is led by the Assistant Director for Communities and her staff. It will likely be late Spring/ early Summer next year before all displaced families can return to their homes.

- 6.1.7 The Team will continue to support the Recovery phase of this incident and report further progress to future Audit and Governance Committee as appropriate.
- 6.1.8 The Team are members of Sefton Events Safety Advisory Group (SESAG) and have continued to participate in reviews and meetings with event organisers. The Group meet regularly at this time of year to review the forthcoming winter calendar of events such as Halloween / Bonfire night period, Remembrance Day and the lead up to Christmas festivities. As a multi-agency team, we provide advice on the safety of events being held within the borough through consideration of organiser's presentations, event plans and risk assessments submitted and site visits where appropriate.
- 6.1.9 Central Government have issued new guidance for when a senior member of the Royal Family has died prompting a review of Sefton's existing plan to align to new arrangements including appropriate civil ceremonial obligations for other Royals and senior officials / important public figures.
- 6.1.10 The Team have completed reviews of the risk assessments due for the Merseyside Community Risk Register 2025 allocated to the Merseyside Local Authorities to review. These will be presented at the MRF Risk Working Group in November for formal sign off by the wider partnership and put forward for inclusion in the new community risk register next year.
- 6.1.11 In September 2023 an MRF multi-agency plan for shoreline pollution was signed off and validated. Following this, a Sefton Council internal contingency plan for the local authority's role in a shoreline pollution clean-up has been developed. The team will attend Beach Supervisor operational training delivered by HM Coastguard agency Counter Pollution team in November 2024 with ten other colleagues from Green Sefton, Highways, Cleansing and Sefton Security at Wirral. Following the internal consultation that has taken place with colleagues to complete the plan, this learning will help to finalise the document which will then be shared to ELT and SLB for formal sign off and a walkthrough of the plan for validation organised soon.

- 6.1.12 In preparation for forthcoming legislation of Martyn's Law a working group has been established to identify buildings and locations that may be in scope of the proposed standard/advanced tier system. This will advance progress with compliance with the security criteria detailed in the proposed legislation. The Risk and Resilience officers have worked jointly with Health and Safety colleagues using advice from Counter Terrorism Security Adviser partners within Merseyside to source appropriate training resources for the managers, who are members of the working group, to undertake as e-learning sessions which they can then roll out to relevant staff. This aims to raise awareness of existing national guidance and recommended practice that is within the public domain and targeted to organisations and businesses. The working group will then develop further activities as more information about the regulatory duties of the legislation is introduced.
- 6.1.13 The Team have developed some new documentation to support an improved approach to debriefing incidents which can be used for both Emergency Planning and Business Continuity incidents. A formal process and associated templates for debriefing questionnaires and reports have been designed and shared to Executive Leadership Team for consideration. Adoption of this review aims to help further embed the importance of lessons identified and the value of subsequent learning which is essential to capture for improving our response to future emergencies and disruptive incidents.
- 6.1.14 An update of each service area's Business Continuity plan continues to be facilitated by the Team in consultation with the plan owners. The service plans will, in turn, each be fully reviewed by ensuring the information captured at team level and included in the Business Impact Analysis documents is up to date.
- 6.1.15 The Team is preparing for the next Senior Leadership Team Business Continuity exercise to be held in the first quarter of next year. An exercise of this nature is held annually to promote awareness and good practice for the Council's response to disruption of its priority business activities.
- 6.1.16 The Team continues to facilitate the quarterly updates of the Corporate, Service and Operational risk registers and reports as appropriate to ELT, SLB and Audit and Governance Committee. This quarter we have also requested evidence to be shared by each service that Service Risk Registers are shared to cabinet members and that risk management is a regular item on the agenda of Departmental Management Team meetings.
- 6.1.17 The Team offers support to owners of all Service and Operational Risk Registers to help with reviews during the quarter. The take up for this is generally well received and the team will regularly meet risk leads or attend DMTs/SMTs for several service areas to discuss the importance of formal risk recording and encourage ways to improve content.

- 6.1.18 The Team also continues to action the recommendation from the most recent internal audit report for the council's risk management function which was to conduct a 'checklist' exercise for all risk registers submitted at corporate, service and operational levels. This is to ensure compliance with presentation of risks according to the Corporate Risk Management Handbook available to all risk register owners on the council intranet and to help develop qualitative content of the risk registers.
- 6.1.19 The Risk Management review report by Gallagher Bassett has been analysed by the Team and the Chief Internal Auditor. A response to the report has been drafted and a meeting has been arranged with Gallagher Bassett to discuss.
- 6.1.20 A phased approach has been agreed with The Executive Director for Children's Services to introduce Operational Risk Registers (ORRs) across all teams within the service. This will ensure alignment to the Council's Corporate Risk Management Framework. Work will continue and with the stepped plan to undertake work with a couple of teams each cycle and further teams brought on board each quarter.
- 6.1.21 Members of the Team have undertaken Procurement Act 2023 Training, delivered by The Government Commercial College. The training consists of 10 hour-long modules of learning including a certification module to confirm competence. The training must be completed before the launch of the Act in February 2024.

6.2 Developments

- Continue to support the Recovery Co-ordinating Groups for the Southport and Seaforth incidents.
- Major incident plans and processes will continue to be reviewed and updated as necessary or following learning from any incidents.
- Reintroduce quarterly Emergency Duty Coordinator (EDC) briefings to increase knowledge and awareness of EP arrangements.
- Organise and develop training and awareness sessions for the Council Volunteer Crisis Response Team members.
- Further internal recruitment drive for Decision Loggist role within the Council Volunteer Crisis Response Team.
- Submit the revised Operation London Bridge and plan for other senior Royals and public officials for formal sign off to Leadership Teams.
- Continued engagement and proportionate preparation for introduction of Martyn's Law and associated workstreams.

- Develop and organise a future walk-through event for the Shoreline Pollution LA plan when all documentation has been shared.
- Ongoing review of the business continuity plans with particular focus on supporting the updating of Business Impact Analyses.
- Awaiting feedback from Executive Leadership Team to refine the priority activities within the Corporate Business Continuity Plan
- Further development of risk registers from all teams/services, including a qualitative exercise to ensure escalation of risks from Service Risk Registers to the Corporate Risk Register where appropriate.

7. Counter Fraud: Performance Update

7.1 Work Completed

7.1.1 Discussed in previous reports that following the restructure of the Risk and Audit team and a Counter Fraud Officer being in post from 1 July 2024 the following activity has been undertaken on implementing a Counter Fraud culture within the Council.

- An action plan has been drawn up to implement the outstanding actions from the CIPFA Fraud self-assessment.
- A draft Counter Fraud Strategy has been developed and will be presented to ELT/ Cabinet Member and Cabinet over the next three months.
- Research on a sanctions policy has been undertaken with Legal Services
- Evaluation of a benchmarking exercise to determine proposals on resourcing for Counter Fraud and qualifications for the Counter Fraud Investigator has been shared with management.
- Shared training resources from a neighbouring local authority enabled us to set up two fraud awareness eLearning courses:
 - Introduction to fraud and
 - Introduction to Bribery and Corruption
- Requests for completion of Fraud Risk Assessments has been provided to all Assistant Directors and the wholly owned companies. We have had documents from the majority of the Assistant Directors or a timescale when they have been completed and are following up the outstanding areas.
- Internal Audit are including an aspect of fraud assessment within each audit that is undertaken.
- We have worked with colleagues in HR to incorporate counter fraud as a topic in the induction process and promote the fraud related eLearning training courses found in the Me Learning library.
- We have worked with Communications team to advertise the fraud awareness eLearning training as well as Fraud Awareness Week in November 2024.
- We have developed a Communication Plan to raise awareness of counter fraud in the organisation.
- National Fraud Initiative (NFI) privacy notice compliance exercise completed in August 2024.
- Data upload submissions completed for the NFI National Exercise 2024/25 for the following datasets:
 - Council Tax Reduction Scheme
 - Housing Waiting List
 - Payroll

- Pensions
- Resident Parking Permits
- Taxi Driver Licences
- Trade Creditors
- Reviewed the allocation of the NFI matches to individual staff members and evaluate the work completed.
- NFI Procurement Matches: Payroll to Companies House matches investigated in relation to declarations of interest under the Code of Conduct.
- Involvement with the Mersey Region Fraud Group (MRFG) sharing information and ways of working.
- A suspected fraud issue found relating to a leisure activity.
- A review of all council tax accounts with a Sole Occupier Discount (SOD) took place in September 2024. As a result of the review almost 1300 households have cancelled their SOD.

7.2 Developments

7.2.1 Now that the Counter Fraud Investigator is in post, the intention is to undertake the following work on Counter Fraud. The focus on the next quarter is to:

- Work with the Communications team to develop a fraud newsletter we can circulate regularly.
- Work with Legal Services and other colleagues to develop a draft Sanctions Policy for consideration by ELT before presentation to Cabinet.
- Obtain the outstanding Fraud Risk Assessments and evaluate the information provided.
- Research and develop a Fraud Risk Register from the completed Fraud Risk Assessments.
- Progress the action plan from the CIPFA Self – assessment on fraud.
- Work with Communications team to develop a fraud awareness campaign for the upcoming National Fraud awareness week.
- Looking into a Credit Industry Fraud Avoidance System (CIFAS) fraud prevention service – to evaluate its effectiveness against other resources available to the Council.
- Assist with the review of Direct Payments which will be led by the Audit team.
- Further mandatory datasets for Council Tax Single Person Discount and Electoral Register required by 17 January 2025 for the 2024/25 NFI National Exercise.
- Continued involvement with the Mersey Region Fraud Group (MRFG).
- Review a sample of the Council Tax accounts where SOD has been cancelled following the Single Person Discount (SPD) amnesty.

8. Looking Ahead

8.1 The Service continues to develop, with a number of key projects being undertaken to embed the role and influence of the team over the next quarter:

- The completion of the re-structure to re-direct resources into Internal Audit, Risk and Resilience and Counter Fraud and undertake recruitment for vacant posts.
- The embedding of regular risk management reviews across the Council to ensure that Operational and Service Risk Registers are updated on a regular basis. Other work includes the completion of the external review of risk management and the horizon scanning session.
- Continued delivery of the Internal Audit Plans for 2024/25, focusing attention on reviewing the key risks to the organisation, which will evolve as the Council changes.
- Implement the actions from the BC exercise in March 2024, finalising of the Corporate BC plan and finalising the planning for a BC in March 2025.
- Completion of the review of the Health and Safety Policy, work on developing wider occupational health, safety and wellbeing of staff.
- Delivering on the service improvement plans for the Risk and Audit Team.

9. Conclusions

- 9.1 Internal Audit has made reasonable progress in the completion of the approved Internal Audit Plan 2024/25 despite the underlying difficulties in recruiting suitable internal audit staff and unplanned absences. There are some further planned recruitment and current absences which may impact on the delivery of the audit plan.
- 9.2 The Council's accident record continues to be positive, although reported incidents remain below expected and there are plans to improve the risk management further by working with colleagues across the organisation with improved training offer.
- 9.3 The Health and Safety team is continuing to focus on incident reporting, review of risk assessments and the review of event management.
- 9.4 The Council's insurance claims performance remains good.
- 9.5 We will continue to ensure that there are risk registers are in place in line with the Corporate Risk Management Handbook.
- 9.6 Progress has been made in embedding business continuity with a focus this year of reviewing the existing BC plans clear road map for the completion of the outstanding business continuity plans shortly and a focus over the remainder of the financial year at testing and exercising the BC plans.
- 9.7 We have developed improvement places across each of the service areas to deliver improvements which will result in improved risk services as well as an integrated risk and audit approach.

Work Programme Update Report

Date of meeting:	11 December 2024		
Report to:	Audit and Governance Committee		
Report of:	Executive Director – Corporate Services and Commercial		
Portfolio:	Corporate Services		
Wards affected:	(All Wards)		
Is this a key decision:	No	Included in Forward Plan:	No
Exempt/confidential report:	No		

Summary:

The Audit and Governance Work Programme has been developed to help ensure that all of the responsibilities of the Committee set out in the Audit and Governance Committee's Terms of Reference are discharged during the municipal year.

This report provides an update on reports listed for submission at the meeting of the Audit and Governance Committee held on 4 September 2024 and reasons for non-submission of some of the reports listed.

The reports considered at the meeting on 4 September 2024 were listed in the Work Programme for the 2024-2025 Municipal Year, which had been approved by Audit and Governance Committee on 20 March 2024.

Recommendation(s):

The Committee is requested to note the Audit and Governance Committee Work Programme update on reports listed for submission to the meeting held on 19 June 2024.

Agenda Item 11

1. The Rationale and Evidence for the Recommendations

1.1 Introduction / Background

1.1.1 The Work Programme for each Municipal Year is an important element in planning the year ahead as being closely aligned with the Terms of Reference, it ensures that the Committee has a structured, consistent approach to fulfilling its responsibilities within the Terms of Reference and helps to ensure the effectiveness of the Audit and Governance Committee. It is also important to note that a degree of flexibility is applied in order that any ad hoc / urgent reports may be considered by the Committee as and when required.

1.2 Work Programme Update – September 2024

1.2.1 It is good practice to provide the Audit and Governance Committee with regular updates on reports listed in the Work Programme and submission of ad hoc reports for consideration at each of its quarterly meetings.

1.2.2 Appendix 1 provides details of the reports listed in the 2024-2025 Work Programme for consideration at the meeting of the Audit and Governance Committee held on 4 September 2024 and the reasons for non-submission of some of the reports listed. It also provides details of ad hoc reports submitted which were not listed in the Work Programme

1.2.3 As agreed by Audit and Governance Committee on 22 June 2022, update reports on adherence to the Work Programme will be provided to each of the quarterly meetings of the Audit and Governance Committee throughout the municipal year.

2. Financial Implications

There are no direct financial implications.

3. Legal Implications

There are no direct legal implications.

4. Corporate Risk Implications

The Work Programme includes a Quarterly Corporate Risk Register.

5 Staffing HR Implications

There are no direct staffing implications.

6 Conclusion

The Chartered Institute of Public Finance and Accountancy (CIPFA) publication – “Practical Guidance for Local and Authorities and Police” recommends as good practice, the provision of an annual Work programme to enable Audit and Governance Committees to discharge their duties in accordance with their Terms of Reference. Adherence to the work plan ensures that the Audit and Governance Committee has a structured, consistent approach to fulfilling its responsibilities as detailed in the CIPFA guidance.

Alternative Options Considered and Rejected

To not have a Work Programme and not update the Committee on reasons for non-submission of expected reports would lessen the effectiveness of the Audit and Governance Committee.

Equality Implications: There are no equality implications.
Impact on Children and Young People: None
Climate Emergency Implications: The recommendations within this report will have a Neutral impact.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Services & Commercial (FD7879/24) and the Chief Legal and Democratic Officer (LD5979/24.) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision:

Immediately following the Committee meeting.

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Appendices:

Appendix 1 - Update on Reports listed in the 2024-25 Audit and Governance Committee Work Programme and ad hoc reports submitted for consideration by Audit and Governance Committee held on 19 June 2024.

Background Papers:

<https://modgov.sefton.gov.uk/ecSDDisplay.aspx?NAME=SD2926&ID=2926&RPID=34906445>

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Update on Reports listed in the Audit and Governance Work Programme for consideration by Audit and Governance Committee held on 4 September 2024

	Report Title	Inclusion Rationale	Details	Comments and/or reason for delay
	Governance Reports			
(1)	Produce annual report of the Audit and Governance Committee (to full Council)	Terms of Reference	Submitted and Approved	
(2)	Work Programme Quarterly Update Report	Good Practice	Submitted and Noted	Update on reports listed in the Work Programme for consideration in the previous meeting
	Internal Audit Reports			
(3)	Performance update on Risk and Audit Team including: <ul style="list-style-type: none"> • Audit Team • Health and Safety • Counter Fraud • Insurance and other risk areas such as Business Continuity 	Terms of Reference	Submitted and Approved	Quarterly update provided to Members
	Risk Management Reports			
(4)	Review of the Quarterly Corporate Risk Register	Terms of Reference	Submitted and Noted	Quarterly update provided to Members
(5)	Review of the Corporate Risk Management Handbook	Terms of Reference	Included in Quarterly Corporate Risk Register report	
(6)	Regular report on health and safety (included in Quarterly Corporate Risk Register Report)	Terms of Reference	Included in Quarterly Corporate Risk Register	
	Monitor Role			
(8)	Reporting of the anti- fraud, bribery and corruption	Terms of Reference		

	strategy (included in Risk and Audit Service Performance Report)			
(9)	Review of the Members Code of Conduct	Terms of Reference	Submitted and Noted	
(10)	Review the Annual Governance Statement	Terms of Reference	Included in Corporate Risk Management Report	
	Accounts, Financial Statements & Treasury Management Reports			
(11)	Treasury Management Outturn	Terms of Reference	Submitted and noted	
(12)	Treasury Management In-Year Position	Terms of Reference	Incorporated into Treasury Management Outturn report	
	Ad hoc Reports (not on Work Programme)			
(13)	Statement of Accounts Update – Local Audit Backlog in England		Submitted and noted	