

Risk and Audit Service: Performance

Audit and Governance Committee
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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 8 December 2021 to 7 March 2022.
- 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.
 - **Assurance Team** – will develop a Counter Fraud strategy and co-ordinate the development of counter fraud services across the Council.

2.4 This report summarises the main aspects of the performance of the Service for the period 8 December 2021 to March 2022, 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 Work Completed 25 November 2021 to 24 February 2022

During the period ten audit assignments were completed and a further four assignments substantially completed at 24 February 2022. The table below outline the audits that have been completed, the audit opinion and the recommendations identified:

Audit Title	Audit Opinion	Recommendations		
		High	Medium	Low
Accounts Payable Controls Review	n/a (Memo issued)	0	1	0
Cherry Road Children's Home	Major	2	3	1
Covid Grants for Care Homes and Community Services (draft)	Minor	0	2	1
St John's Primary School, Waterloo (draft)	Moderate	3	3	3
St William of York Primary School	Minor	0	3	1
Bootle Town Centre – The Strand Acquisition and Disposal 2020/21 Q1	Value of grant certified £512,949.73			
Sustainable Transport Enhancement Package 2020/21 Q4	Value of grant certified £1,239,564.46			
Sefton Town Centres 2021/22 Q2	Value of grant certified £46,840.00			
Sefton Town Centres 2021/22 Q3	Value of grant certified £88,056.00			
Troubled Families 2021/22 Period 3 Claim	Value of grant certified £67,200.00			
Work substantially complete as at 24 February 2022				
Factfinding exercise cutting across Communities, Children's Social Care and Education	Draft reports prepared and meetings arranged with key Managers.			

Audit Title	Audit Opinion	Recommendations		
		High	Medium	Low
Sacred Heart Catholic College	Draft Report prepared and exit meeting to be re-arranged with the Acting Head Teacher.			
SeftonArc	Draft Report at quality control review stage.			
Education Finance – Schools Regulatory Framework	Draft report prepared and second exit meeting planned to discuss findings.			

Draft Audit Reports previously reported to Audit and Governance Committee.

Audit Title	Audit Opinion	Recommendations		
		High	Medium	Low
Farnborough Road Infants School Audit – draft report issued 2021/22 Q1	Moderate	0	4	1
Holy Spirit School Audit – draft report issued 2021/22 Q2	Major	3	4	2
Hudson Primary School 2021/22 Q3	Moderate	3	4	0
Highways Maintenance – Contract Management 2021/22 Q3	Major	0	7	1

The high priority recommendations outlined in the audit reports issued in the period 25 November 2021 to 24 February 2022 are summarised as:

Cherry Road Children’s Home

- Budget allocations should be reviewed to ensure that they are sufficient to meet the objectives of the home.
- Regular budget monitoring should be undertaken.

St John’s Primary School, Waterloo

- The School should formally adopt both the *Financial Regulations for Schools* and the *Scheme for Financing Schools*.
- The Delegation of Duties and Responsibilities should be reviewed and approved annually.

3.2 Key Performance Indicators 2021/22

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 2021. Figure 1 shows progress made against the Audit Plan.

Description and Purpose	Target	Actual	Variance and Explanation
<p>Percentage of the Internal Audit Plan completed at 24 February 2022</p> <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>90% See graph below</p>	<p>51% See graph below and narrative</p>	<p>39%</p> <ul style="list-style-type: none"> • See section 3.3
<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>	<p>100%</p>	<p>100%</p>	<p>No variance</p>
<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>	<p>100%</p>	<p>100%</p>	<p>No variance</p>

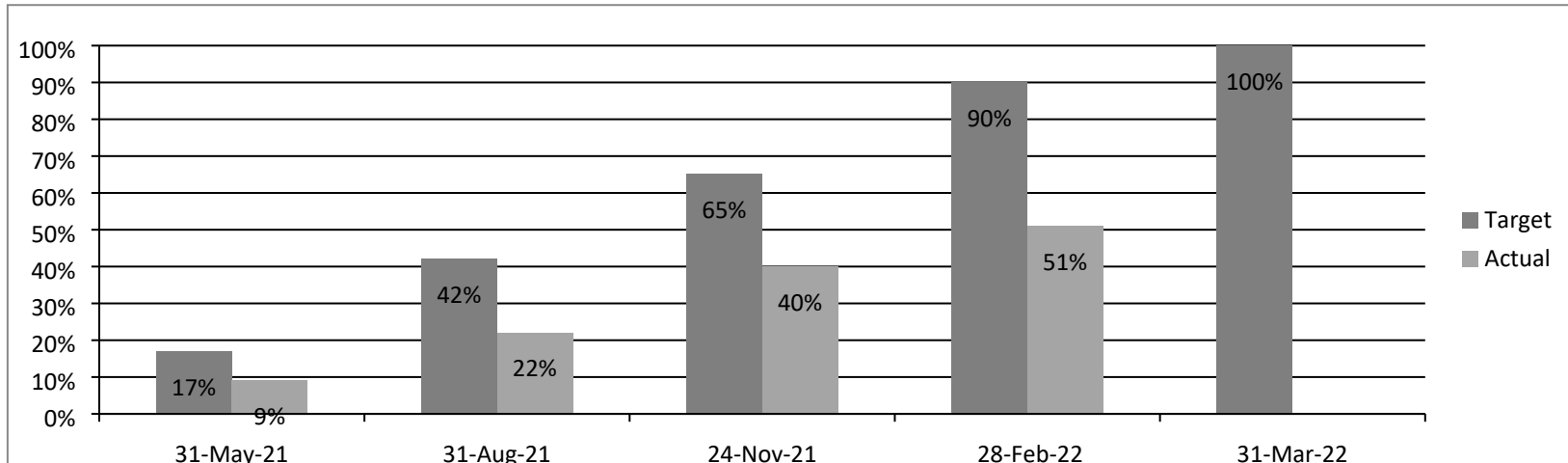


Figure 1: Percentage of the Internal Audit Plan 2021/22 Completed (profiled to coincide with the Audit and Governance Committee reporting dates)

3.3 2021/22 Resources and Performance

The small team continues to work well remotely as it has done since the start of the pandemic. Audits, by necessity are conducted differently to how they were previously by utilising technology wherever possible. Communication with clients is mainly by MS-Teams and by email and in most cases this is effective. Systems documentation and information required for sample tests are obtained and reviewed electronically. Auditors use a variety of flexible approaches to ensure that their work can be completed to the appropriate professional standards whilst working remotely.

One of the Audit Team Members returned to work towards the end of February 2022 after being on maternity leave from the start of the financial year. One of the Principal Auditor's returned to work earlier in the year on a phased return after a period away with unplanned leave and then retired on grounds of ill health with effect from 30 November 2021. A second Principal Auditor had reduced his hours from full time to part time from June 2021 and has subsequently been able to extend his hours by one day per week to provide further support to the team although this will drop down to three days per week from 1st April 2022 to when their fixed term contracts finish in May 2022.

The stated percentage of the Internal Audit Plan completed of 51% includes planned grant assurance work undertaken during the financial year. We estimate that we should be able to complete 56% of the audit plan by the end of the financial year taking into account the resources available to date.

The Audit Plan was approved in March 2021, and the intention was for two Principal Auditors to be appointed on fixed term contracts until 31 March 2022 to deliver elements of the Audit Plan. Repeated recruitment exercises have been completed, advertising for traditional fixed term vacancies, using the Council's preferred recruitment conduit Matrix and with specialist recruitment agencies since March 2021. As a result, numerous interviews have been conducted with potential candidates. One Principal Auditor was appointed during September 2021 on a fixed term contract until 31 March 2022 and a second Principal Auditor was appointed and begin work during December 2021 on a fixed term contract until 31 March 2022.

After discussions with a number of recruitment agencies we have been informed that there are far greater numbers of job opportunities than candidates available which is leading to a shortfall of suitable candidates to undertake the role. We have been advertising nationally and have interviewed candidates from across England as we are able to work remotely. The tight recruitment market is not forecast to change in the short term.

The difficulty in recruiting two Principal Auditors has seriously diminished the ability to deliver the target number of audits within the first nine months of the year. The team has delivered approximately 51% of the audit plan against a target of 90%.

Since the last update to the Committee in December, it was our intention to focus on the key risks within the Annual Audit Plan, however at the request of management a substantial unplanned assignment was identified, and this has slowed progress in the delivery of the plan.

A recruitment exercise to permanently fill the one vacant Principal Auditor post currently and the proposed gap in May 2022 is ongoing at the time of writing. It is hoped that candidates can be recruited to start during the first quarter of 2022/23 financial year. In addition, a temporary member of staff has been agreed to provide support during the recruitment process. We are seeking to fill this with one of the existing temporary Principal Auditors.

Currently there are a number of CIPFA finance graduate trainees that the Finance team have in place to provide capacity for succession planning across Finance. Each of the staff members has to cover an Internal Audit module as part of the qualification process and we have agreed with Finance that we will on a rolling six-month rotation have one of the CIPFA trainees to enable them to experience internal audit starting from July 2022. This rolling rotation will enable the staff member to experience internal audit and build a greater understanding of the issues providing the service, provide additional skills around, risk, control and governance that will complement their existing financial skills as well as provide additional capacity for the internal audit plan. In addition, we have agreed with Finance that we will take for two years a CIPFA Qualified staff member from October 2022 to provide additional in- depth internal audit experience with the potential to take on some limited line management.

The two roles will provide greater co-operation across Finance, help to cement greater awareness of risk, control and governance issues across functions, help with succession/ diversity issues as well as providing greater capacity for the Internal Audit function. There are of course personal development opportunities for the staff involved. We welcome the opportunity this presents in training staff, building competence on key skills which will eventually return to the wider Council whilst dealing with the capacity issues we have highlighted above. The proposed Internal Audit plan for 2022/23 reflects the work we can expect the two new team members to undertake.

We recognise that the performance is disappointing and reflect that the assurance level provided to the Committee is likely less than we originally planned at the outset of the financial year. The drivers for the performance have been on the whole out of our control however we recognise that we do not have significant capacity within the team for unplanned events where they occur which impact on our capacity to deliver assurance. As detailed above a plan has been developed to increase capacity of the Audit Team through the recruitment of two permanent Principal Auditors, initial temporary auditor for six months as well as the use of CIPFA graduate staff within Finance and the proposed two-year secondment for a CIPFA qualified staff.

3.4 **Public Sector Internal Audit Standards**

In March 2018 the Internal Audit Service was externally assessed as “generally complies” with the Public Sector Internal Audit Standards. This was reported to the Committee at the time. Each year the Internal Audit develops and implements an Improvement Plan to enhance systems and processes to improve the service. The Internal Audit Service is due to be externally assessed during 2022/23.

3.5 **Developments**

Since the last Audit and Governance Report Internal Audit has:

- Continued to monitor staff wellbeing during the prolonged period of home working maintaining frequent regular contact with all team members.
- Successfully recruited a second Principal Auditor on a fixed term until end of March 2022. This appointment is helping with the delivery of the Audit Plan.
- Welcomed back the Trainee ICT Auditor after a year away from the team on maternity leave.
- Advertised in the national press and industry specific job pages to identify and appoint suitable permanent members of the team.
- Agreed in principle for a permanent six- month rotation for a CIPFA trainee to be rotated into the Internal Audit Team as well as two-year CIPFA qualified staff member.
- Used the new database of outstanding audit recommendations, have begun the process of verifying implementation of previously agreed recommendations.
- Ensured all staff completed mandatory corporate training ahead of deadlines.

- Met with Executive Directors and Heads of Service to identify areas for inclusion in 2022/23 Annual Audit Plan.
- Contacted and obtained advice from CIPFA and the IIA regarding best practice when auditing areas of the business managed by the Chief Internal Auditor.

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

- The continued implementation of processes to reduce the backlog of audit recommendations that require following up and identify an effective way to report recommendations implemented and outstanding to this Committee.
- The further enhancement and simplify internal audit reports to improve clarity and reduce time spent producing the reports.
- To start preparations for upcoming Public Sector Internal Audit External Assessment due in coming year.
- Recruitment of the two permanent Principal Auditors and a six-month temporary Principal Auditor.

4. Health and Safety: Performance Update

4.1 Progress

The Council continues to focus on improving the health and safety management system and support by reviewing existing arrangements and improving governance.

The Health and Safety Team consists of two permanent and one fixed term (August 2021 – March 2022) health and safety professionals. A further two-year fixed term contract has been advertised, with the role being effective from April 2022 until March 2024.

Resources continue to be stretched in meeting the demands of the Council and Schools and to satisfy the requirements of the Management of Health and Safety at Work Regulations. The Corporate Health and Safety team supports nearly 8000 staff (including maintained school staff, and schools with a Service Level agreement in place), plus agency staff, contractors, and volunteers.

The team continue to deliver a range of services across all Council departments and schools. These services can be divided into three main areas: Policy and communication, operational reactive response, and active monitoring.

Health and safety objectives and key performance indicators have been aligned to the Councils '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. It is acknowledged that outputs have been and are affected by the COVID-19 pandemic and the team have adjusted service delivery to assist the Council in meeting its obligations and to provide managers and staff with the relevant support.

Consultation arrangements are working well, with the Corporate Health and Safety Committee playing a key role in conjunction with the Departmental Health and Safety Committees. The committee meetings continue to be held virtually, using the MS TEAMS system, which has proved to be very successful.

Activities arising from the risk of the transmission of coronavirus 2 (SARS-CoV-2) has been significant, as operations, work and home environments have continually been adjusted throughout the various periods of restriction. The re-opening and recovery of service delivery has proved challenging for the Corporate Health and Safety Team, working with managers to balance COVID arrangements, compliance, and operational demand.

As the team have supported Heads of Service, Service Managers and Head Teachers through the recovery from the pandemic, support requirements are broadening into other areas of workplace health, safety, and wellbeing.

Significant support has been provided for reconvening of face-to-face and public facing activities, the reintroduction of school trips and increase in office occupation. The team have provided assistance, with Public Health colleagues in response to COVID positive cases or where anyone has been a 'contact' of a positive case across services and schools. Council building and operational risk assessments have been reviewed providing assurance to Council managers and staff.

The health and safety audit process has been redesigned, with educational settings and service areas submitting evidence to the team and discussion via MS Teams. Evidence against practice is being verified during site inspections and observations.

Assistance, guidance, and monitoring continues to be provided across all areas, in collaboration with Public Health colleagues as the focus has moved from Central Government and formerly Public Health England to Sefton Council, as the employer, with requirements provided by The Health and Safety Executive.

The Health and Safety Executive continue to visit Schools and Council premises to assess COVID, stress management, statutory maintenance and other health and safety arrangements in place for staff. No significant issues have been identified during their visits.

The Council's Health and Safety Policy has been updated and will be presented to the Corporate Health and Safety Committee and Cabinet in Spring 2022. The review was delayed due to further demands from COVID cases and recent security events. The Corporate Health and Safety Team have released security guidance for managers, staff and Councillors as a result.

Corporate minimum standards have been developed and published on the intranet. Documents and forms are issued to the Workplace Learning and Development Team for inclusion in training packages. Recent revisions and additions include updates on Stress, Well-being, Statutory Maintenance, and the Security and Safety of People, Buildings and Assets. Work continues on Construction Design and Management (CDM), Fire Risk Assessment, Health surveillance and Accident Investigation. Methods of reaching staff who may not be digitally connected are being explored with the Communications Team.

The team continue to monitor the impacts of working from home, agile working, return to the office, workstation arrangements (Display Screen Equipment Regulations 1992) and the Stress Management Standards. The team have

worked collaboratively with other service areas to ensure the Councils obligations are being met, whilst ensuring the physical, psychological, and emotional health, safety and wellbeing of staff is maintained.

There has been a very positive response to the Mental Health training provided by the Workforce Learning and Development Team. The Corporate Health and Safety Team and (Occupational) Health Unit are exploring training provision or workshops for managers to equip them with the skills and confidence to identify workplace stressors, implement suitable controls, make available interventions available to staff through the Council, complete and monitor the stress risk assessment.

The Corporate Health and Safety Team have been instrumental in establishing a One Council working group to consider the wider occupational health, safety and wellbeing of staff. It consists of representatives from The Health Unit, Public Health, Workforce Learning and Development, Active Workforce, and Health and Safety, in addition to Union's representation. A well-being page is available on the health and safety intranet site and will be used to signpost managers and staff to various services.

The on-line incident reporting system continues to be well utilised with managers reporting accidents and incidents, as required. Managers are encouraged to report cases of workplace and non-workplace COVID transmission to highlight impacts on staff and service delivery. An exercise is in progress to extend reporting for incidents and near misses, support managers with proportionate investigation to prevent reoccurrence and limit insurance or enforcement intervention.

CLEAPSS was established as a Consortium of Local Educational Authorities for the Provision of Science Services. It now acts as an advisory service providing support in science, design, technology, and art for educational settings, and assists Local Authorities and schools in discharging their duties as an employer. The Health and Safety team and schools receive considerable support from CLEAPSS on health and safety, including radiation matters. A sizeable proportion of Sefton schools pay for the CLEAPSS RPA (Radiation Protection Adviser) Service. The Health and Safety Team continue to operate as a link between schools and the Radiation Protection Adviser, supporting school Heads of Science in the storage and use of radioactive sources. Desktop audits continue; however, this is now supported by onsite inspections.

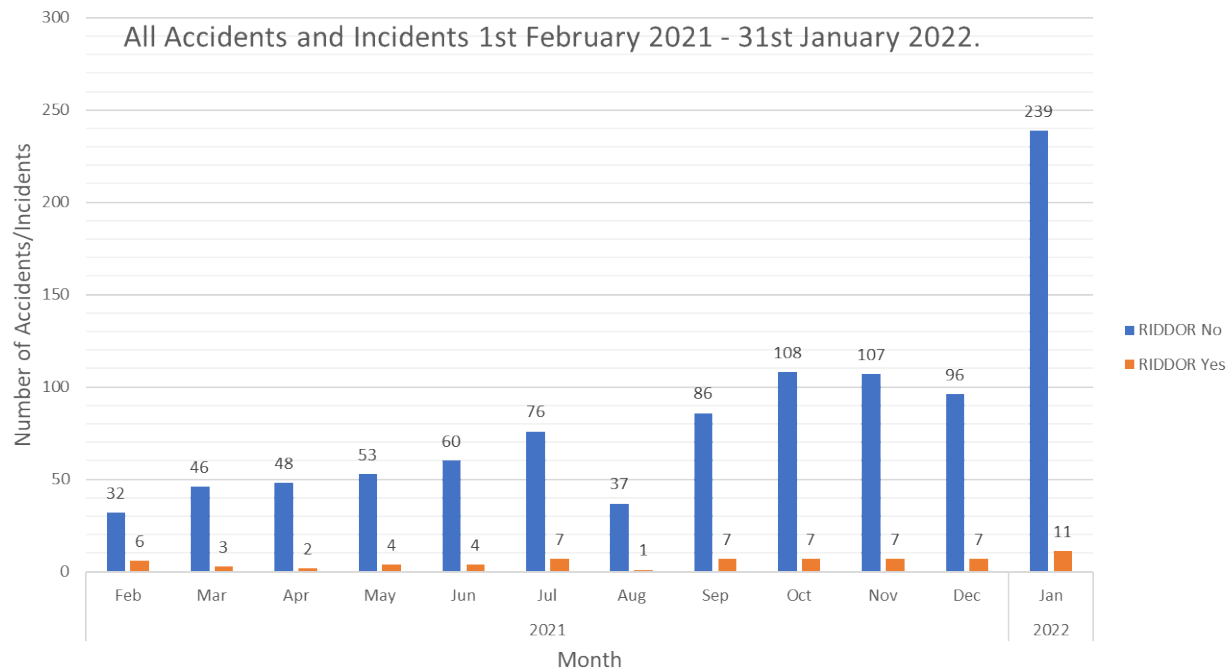
EVOLVE provide online services for schools, including a tool for planning and managing educational visits, after school clubs and sports fixtures. The Health and Safety Team continue to provide support and guidance to schools and their Educational Visit Co-ordinators (EVC). The EVOLVE system allows schools to upload risk assessments and other critical event information and take school staff through an authorisation process, which involves a schools internal Educational Visits Co-ordinator (EVC), Head Teacher, the Local Authority Corporate Health and Safety Team. EVOLVE have continued to provide live online training in conjunction with the Health and Safety Team. EVC training was provided in June 2021. A further course was delivered in November 2020. The format of the live online training proved very successful and further online training is being planned for the Spring term due to demand.

The North-West networking groups, Liverpool City Region H&S Advisers Group and Outdoor Education Adviser's Panel continues to meet virtually. The groups have proved invaluable for sharing information and good practice during the pandemic as guidance has changed so quickly. There are plans to introduce some face-to-face meetings in the late spring of 2022.

4.2 Key Incident Data

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.

Graph 1 below compares accident and incident data over the past year. Most of the incidents reported over the past 12 months are Covid-19 related. The proportion of incidents involving workplace transmission of COVID-19 have again steadily increased.



Graph 1: Accident and incident data 1 February 2021 to 31 January 2022

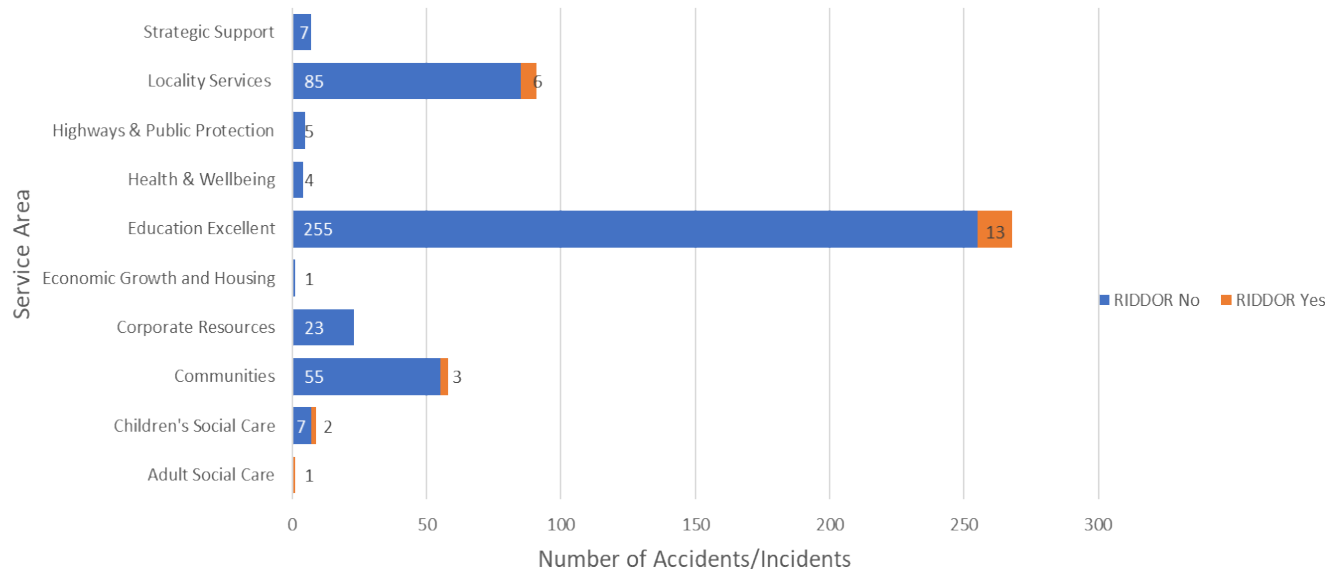
The variations in reporting throughout the year is consistent with the re-opening of schools and service areas. The increase of reports raised in January 2022 highlights the continuing vulnerabilities of staff from exposure to COVID-19 during and suggests the need for a cautious approach as we approach the Spring and increased physical interactions.

Managers and staff continue to be encouraged to report all COVID-19 positive staff cases onto the Council health and safety accident and incident reporting system, although this is not exercised in all areas and at all levels. This supports the effective review of risk assessments, monitoring of control measures and facilitates the assessment of workplace and community transmission and impacts on both staff and service delivery and provision. The Health and Safety Team continue to work closely with Public Health colleagues on COVID—related issues and have greatly appreciated their ongoing support.

Data and trends appear to be consistent with National Trends (Source: HSE, National Statistics Office, Government COVID data). Where COVID rates have been lower, the data from the Councils reporting system shows that accidents and incidents reports continue to be raised for slips, trips, sports incidents, and cases of violence and aggression towards staff.

Graph 2 below details the accidents and incidents reported across the Council Services between 1 November 2021 to 31 January 2022 are in the graph below.

Accidents and Incidents Across Council Service Areas 1st November 2021 - 31st January 2022.



Graph 2: Accident and incident data across Council Service Areas between 1 November 2021 to 31 January 2022

Education Excellent, Locality Services and Communities report the most incidents and this is consistent with previous years data. One influence is the positive reporting culture that is evident within the areas as well as other factors include continued essential service delivery during the various pandemic restrictions.

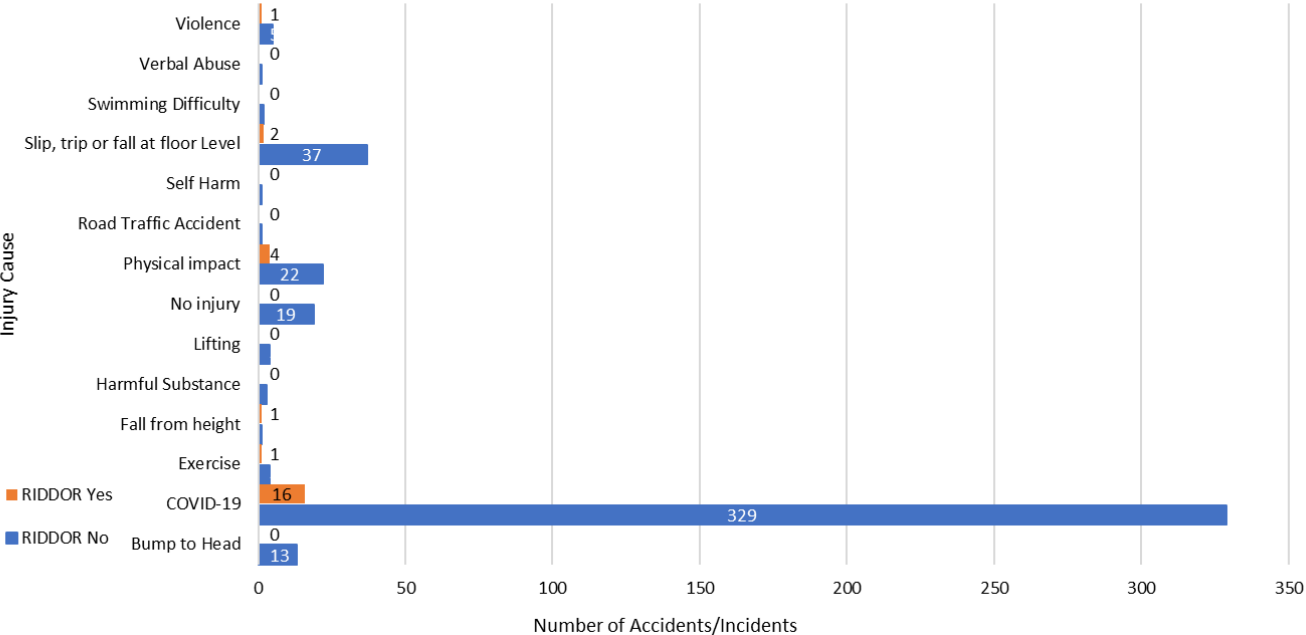
Services areas not listed above have not raised any incident reports during this period. These include Public Health and Wellbeing as well as Commercial Services. This is due in part to staff working substantially from home and in the case of Commercial Services being a very small team.

The Corporate Health and Safety Team continue to promote a good reporting culture to manage the risk of injury, ill health and other potential and actual losses to the Council, including property damage or fire, presence of legionella in water systems and incidents from storm damage. A positive reporting culture provides greater accuracy in accidents, incidents

and near misses' data and enables the Council to assess its risk profile, identify trends and opportunities to prevent reoccurrence.

Graph 3 identifies the cause of accidents and incidents reported across Sefton Council from 1 November 2021 to 31 January 2022. As previously highlighted, the most common cause has been the transmission of Coronavirus (SARS-CoV-2). Not all cases have been as a result of 'workplace' transmission as staff have been required to report all incidents of Covid-19 whether work related or not. Other common causes were due to slips and trips and contact sports / play injuries. The cases reported under RIDDOR (Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013) are discussed below.

Accident and Incident Data by Cause 1st November 2021 - 31st January 2022.



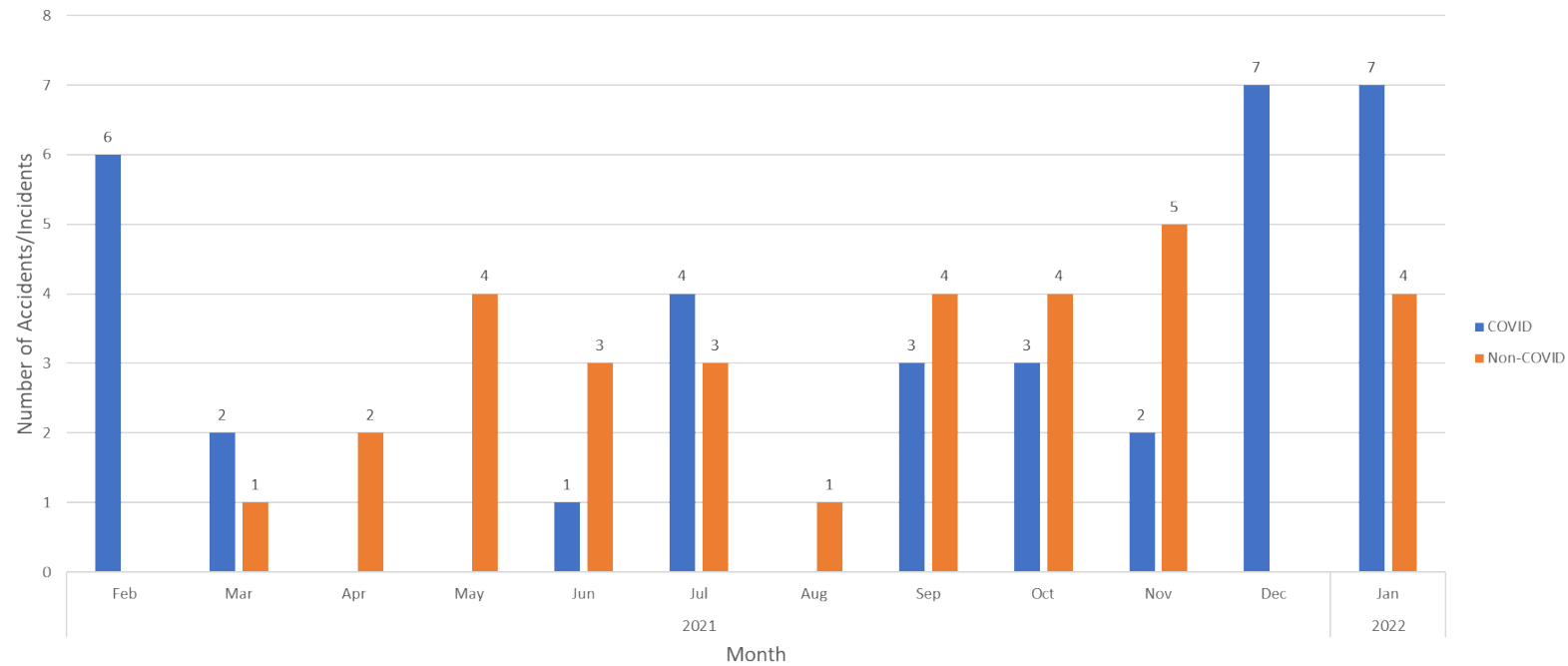
Graph 3: Accident and incident data by Cause between 1 November 2021 to 31 January 2022

Through discussions with staff and at Health and Safety Committees, incidents of threatening and abusive behaviour have remained, although not always reported through the incident reporting system.

The team are working with managers to ensure value and benefits of reporting and proportionate investigation are understood. Recent security events coupled with the increase of staff reporting instances of threats or actual violent or aggressive behaviours led to the release of guidance documents for staff and Councillors. Further work is being undertaken to assess and implement change across the Council to improve personal safety.

Graph 4 below shows the number of notifications made to enforcement authorities and insurers under the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), during the past year, also known as RIDDOR reports. The graph highlights the number of COVID (workplace transmission) and non-COVID related reports raised. Testing, vaccination programmes and a slightly improved understanding of suitable risk control measures and monitoring may be positively influencing the level of workplace transmission. Instances of non-reporting remain, including potential cases under RIDDOR. Messages to managers and head teachers have been reinforced.

Accidents and Incidents Reported Under RIDDOR Highlighting COVID and Non-COVID RIDDOR Reports
1st February 2021 - 31st January 2022.



Graph 4: Accident and incidents reported under RIDDOR, highlighting COVID and non-COVID RIDDOR reports 1 Feb 2021 to 31 Jan 2022.

The graph highlights the number of these reports raised across the year. Non-reportable cases are those where there is little or no evidence of workplace transmission. The service areas greatly affected by workplace transmission are understandably in Education Excellent, Children's Services and Communities, where front line workers have continued to provide essential services and social distancing presents a challenge.

Accident reports raised under RIDDOR were mostly for fractures sustained from slips, trips and falls (on ground level). The Health and Safety Team have seen a significant rise in slips, trips and falls. This is typical when re-opening services or schools and would be anticipated during this period. The team have been aware that not all instances may be reportable under RIDDOR, however must still be reported to the team via the accident and incident reporting system. The team are planning a campaign to assist managers in reporting and investigating accidents and incidents during the autumn, to coincide with reopening and recovery of services and schools.

4.3 **Developments**

There will be a continued focus during the next quarter of delivering the Health and Safety Improvement Plan and the ongoing recovery programmes from COVID-19 with planned priorities.

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.

The Health and Safety Team will:

Continue to support Managers and Head Teachers with COVID-19 recovery programmes. As national and local restrictions are adjusted in response to COVID-19 rates and risk assessments, there remains a requirement to manage the arrangements under Health and Safety law across all settings.

Continue to review, update and monitor the Health and Safety Standards and Policies, with focus on Fire Risk Assessments, personal and corporate security, driving for work, Dangerous Substances and Explosive Atmosphere Regulations, first aid provision and local emergency response.

Continue to develop the Council-wide training needs assessment which will build into the health and safety training plan and provision, in collaboration with the Workforce Development Team.

Work with senior managers to identify staff who require risk assessment or refresher training. Continue to support the delivery of risk assessment training for managers.

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.

Continue to deliver a health and safety management audit and inspection 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 are suitable and effective.

Engage with insurance brokers on their offer of free online training for Executive Directors, Heads of Service and managers.

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.

The team continue to support schools in the safe storage and where necessary, destruction of their radioactive sources.

The team have been collaborating with Public Health, Workforce Development, Trade Unions and the Health Unit with a Workforce Wellbeing Initiative.

5. Insurance: Performance Update

5.1 Work Completed

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

- To meet the biannual requirement of the Council's External Auditors a procurement exercise for an Actuarial Report has recently been completed with a successful bidder appointed and provided with data to complete the work by May 2022. This 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 Council's Insurance Fund has sufficient reserves to fund current and future claims that may be presented. The outcome of the report will be provided in a future update.
- A second re-valuation of a sample of 20 Council buildings was undertaken in December 2021 and once again proved value for money, producing a mixture of under and over valuations of those previously held. As a result of the exercise the Council's insurers now have assurance of compliance with a number of their recommended action points on re-valuing properties which were included in their Risk Improvement Reports.
- As a next step, a soft market test has recently been completed to better identify and understand the required approach to undertaking the effective re-valuation of the remaining properties that were not covered in the two previous re-valuation exercises. The options include a physical revaluation of all of the properties, a desktop review for all of the properties and a hybrid model of sampling a limited number of properties then extrapolating the results over similar properties. The latter using the results of the previous re-valuation exercises. Several responses to this exercise were received and the Team will now consider each before commencing a competitive tendering exercise to both satisfy insurers needs and also ensure that the Council has assurance that it has the appropriate levels of cover in place for each Council building.
- The Council continues to defend cases robustly to protect the public purse and, where necessary, will enlist the assistance of Weightmans, the Council's Solicitors.
- With the assistance of Weightmans, the Council has recently been successful in a claim where a letter had been issued to the claimant's solicitors alleging fundamental dishonesty by their client. The claimant had previously initiated several claims against the Council yet had failed to mention these when questioned by a medical expert, and also denied having had any previous accidents. Posing further questions and the issuing of the aforementioned letter led the claimant to

ultimately discontinue their claim against the Council and recovery from the defendant of £5k towards the Council's defence costs. Overall, the claim held a reserve of £36k

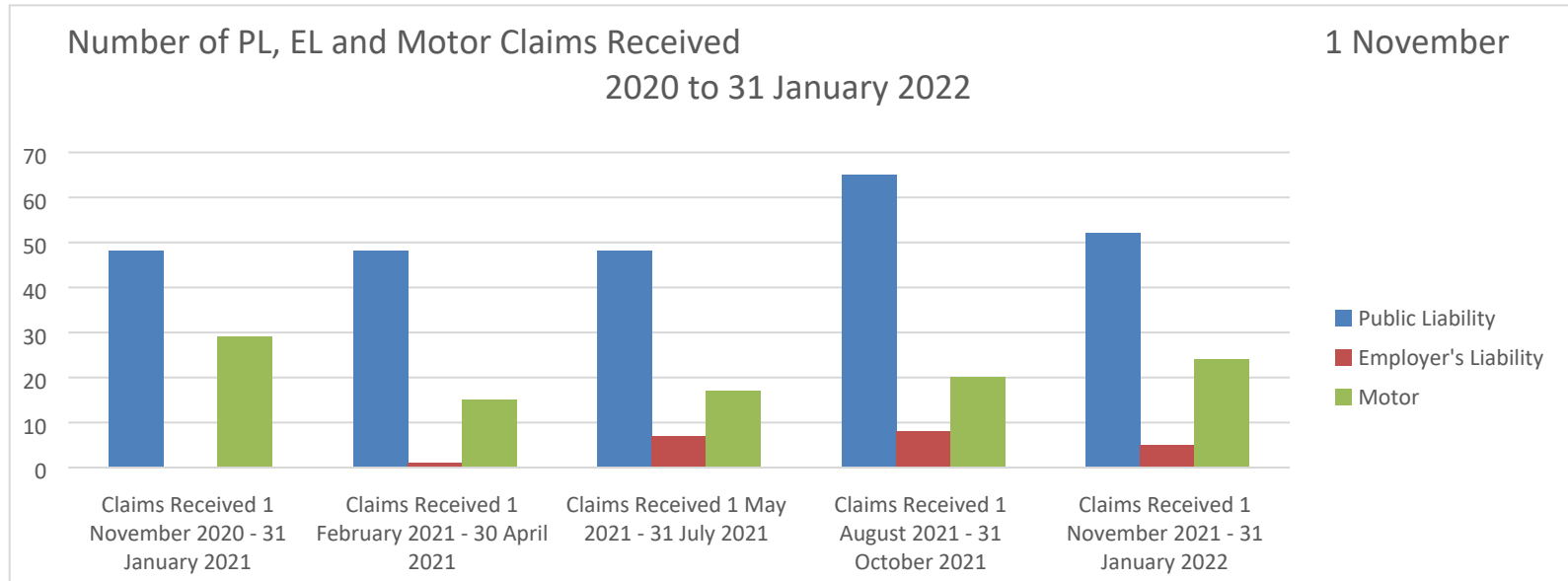
- The Team continues to work extensively with service areas to improve the management of insurable risk especially in areas where there are high numbers of claims or areas of concern. The Council generally has high defensibility rates, and such risk management activity will assist in maintaining and potentially improving the position further. An exercise on Grey Fleet has recently been undertaken with colleagues in the Health & Safety Team to ensure that information is cascaded to managers to remind/make them aware of both their own and employee's responsibilities whilst driving for work. Information has also been provided in relation to the introduction of the changes in the Highways Code to improve the safety of people walking, cycling and riding horses.
- In preparation for the 2022/2023 financial year, the Team have worked with colleagues in the Traded Services Team to ensure that all schools will be charged appropriately for their Insurance Service Level Agreement as part of the current Long-Term Agreement with Insurers. As in previous years, schools receive full protection from the Council's portfolio of policies with the exception of Roman Catholic Voluntary Aided schools who procure their Material Damage policy (buildings and contents) via the Archdiocese of Liverpool.
- Working with Brokers, the Team has recently secured liability insurance cover for the Council's wholly owned hospitality company, Sefton Hospitality Operations Ltd. Specialist Directors & Officers Liability Insurance has also been secured and, whilst this market is currently proving hard, quotes received were competitive compared to past experience. As the company develops, the Team will ensure that any new risks are adequately presented to Insurers to provide appropriate protection.

5.2 Key Claims Data

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 November 2020 to 31 January 2022.
- Value of the reserves for PL, EL and MV claims received by Sefton Council for the period 1 November 2020 to 31 January 2022.
- The average reserve value for PL, EL and MV claims received by Sefton Council for the period 1 November 2020 to 31 January 2022.

The chart below outlines the number of claims for PL, EL and MV claims received for the period 1 November 2020 to 31 January 2022.



From the last quarter of the period, it is pleasing to see that the number of PL claims received this quarter has decreased by 20%, however it sits 8% higher than the start of the overall reporting period. Although the Highways service area represents 46% of claims received in the last quarter, the number of tree related claims (all property damage) represents 35% which is an increase of 29% from the previous quarter. As detailed in the Developments section below, it is hoped that the Council's Insurers can provide assistance to the Tree & Woodland Team in reducing risk by undertaking a review of their policies and procedures.

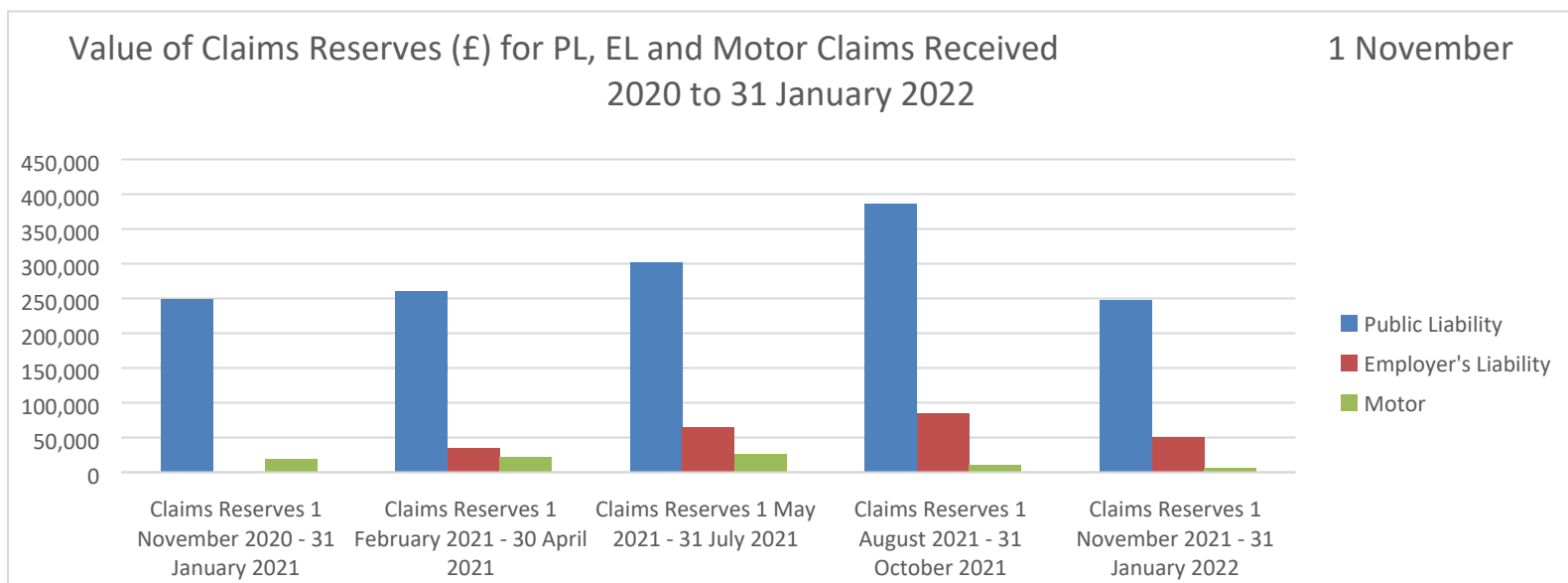
From the unusual spike in quarters 3 and 4, EL claim numbers have decreased by 38% from the fourth quarter and now remain in line with past performance and at an average for the size of the Authority. Schools once again account for the majority of claims received.

MV claim numbers continue to steadily increase, although the final quarter shows a decrease of 17% from the start of the overall reporting period. The Cleansing service area account for half of the claims recorded, and overall, 42% of claims

received relate to own damage and the remaining 58% involve third party damage. It is pleasing to see that no claims for personal injury have been received from third parties.

The current profile in all three areas presents no cause for concern however claim numbers will be monitored for any changes in trend.

The chart below outlines the value of the reserves for PL, EL and MV claims received for the period 1 November 2020 to 31 January 2022.



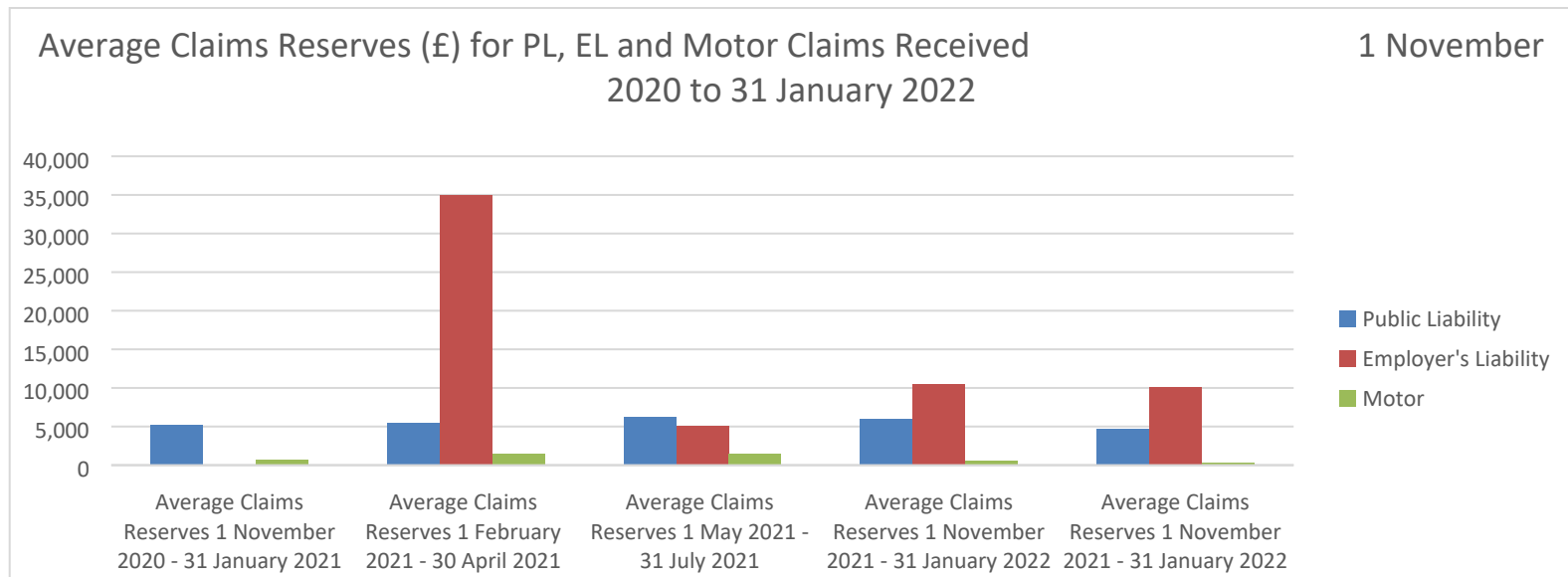
Claim reserves are allocated by the insurers and/or claims handlers independent of the Council and are determined by the type of injury sustained by the third parties and/or damage occasioned to their property.

Although not always the case, due to the type of injury and/or damage sustained by third parties, the decrease in PL claims numbers is also reflected in the claim reserves which shows a 36% decrease from the fourth to fifth quarter. The reserves are also the lowest in the overall reporting period. Although the majority of claims are reserved under £10k, there are seven claims with individual reserves ranging up to £50k. Five of these relate to personal injury claims.

Following the decrease in claim numbers, EL claims reserves have also lowered and stand at 40% lower than the previous quarter and, where claims have been received, the second lowest of the overall period.

Although MV claim numbers have increased over the last quarter, the reserves are currently the lowest of the overall reporting period. There has been a 43% decrease from the last quarter and 75% decrease from quarter 3 which was the highest of the overall reporting period. As mentioned above, a large number of claims relate to own damage and although there has been no major incidents to report, reserves are still awaited for a number of repairs to the Council's fleet.

The chart below outlines the average value of the reserves for PL, EL and MV claims received for the period 1 November 2020 to 31 January 2022.



Reflecting the decrease in both Public Liability claim numbers and claims reserves, the average reserve has also decreased and currently stands at the lowest for the overall period – a decrease of 8% from the start of the period and a decrease of 24% from the middle quarter.

Although Employer's Liability claim numbers and reserves decreased over the period, the average reserve has remained in the same range and this is due to the nature and complexity of injuries reported to Insurers.

Whilst some individual Motor claim reserves are awaited, it is believed that there will be no significant upturn in average claim reserves once they are received.

Trends in claims performance will continue to be monitored.

5.3 **Developments**

- 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.
- The Team will shortly become heavily involved in preparing for the upcoming renewal of insurances for the Council and its associated subsidiary companies (Sefton New Directions, Sandway Homes and Sefton Hospitality Operations Ltd). Collaboration with all service areas will commence to ensure that Insurers are provided with details of all current and future (where known) risks and exposures. This will allow Insurers to present their views on cover, rates and premiums prior to the renewal date of 29 September 2022. This renewal will be the last of the current Long-Term Agreement, details of which will be provided in a future update.
- In consultation with Health and Safety colleagues, the Team continue to make use of the remaining allocation of free of charge Risk Management Days made available as part of the current liability insurance contract. These are utilised to provide service areas with training or advice for their specific roles. Consideration is currently being given to working alongside colleagues in the Tree & Woodland Team to undertake a Tree Risk Management Review. The objective of which is to conduct a critical examination of the adequacy of the risk management strategy currently in place for reducing liability for tree related claims. In addition to increases in claim numbers, recent inclement weather and court cases and/or HSE prosecutions involving other local authorities has highlighted the importance of undertaking a review.
- 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 will 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 a whole.

6. Risk and Resilience: Performance Update

6.1 Work Completed

The team have considered developments across the key areas of Business Continuity, Emergency Planning and Risk Management and an improvement plan has been produced for 2021/22.

A six-monthly review of Business Continuity plans from each Service area is being undertaken by the team. As part of the regular review, each plan is being revised to incorporate details of key IT systems used within the service, further identifying the timescales within which these systems need to be restored and the minimum number of staff requiring access. This is in recognition of the significant reliance we have on IT and the considerable changes we have experienced since the plans were initially produced. A document has been produced to capture details of 'key suppliers' business continuity arrangements within each service. These documents have been shared with each service area and responses will be compiled to further enhance BC plans.

In December, the team performed a no-notice, out of hours test of the activation contact details for each of the Service Business Continuity plans. The results were compiled and fed back to each Head of Service to encourage plan review and improvement where necessary.

Work is continuing to produce further training materials for the Crisis Response Team which will be the focus of future events planned for the team. There are plans to hold a training event for the Team in April at one of Sefton's designated reception centre venues.

A recent request for volunteers to the Decision Loggist role has been successful. As a result of this, four team members are attending a virtual training event on 7 March 2022.

The Merseyside Resilience Forum (MRF) has resumed its business plan for the coming year and the team continue to be engaged in various working groups to plan and deliver multi-agency programmes of work. The team were involved in reviewing community risks for the 2022/23 update of Merseyside Community Risk Register. A number of exercises are planned within the current year and details of these are shared to encourage attendance from relevant service areas across the Council.

Risk and Resilience team members continue to meet with Internal Audit colleagues to consider improvements and developments to the Risk Management system within the council.

Sefton has a number of senior officers who are new to the Emergency Duty Coordinator role (EDC). In February 2022 a cohort of three officers attended Multi-Agency Gold Incident Commander (MAGIC) course.

The Risk and Resilience team along with the on-call EDC at the time, attended Strategic and Tactical Coordination meetings set up in response to the Liverpool Women's Hospital terror attack. The meetings included each local authority within Merseyside to ensure wider community impacts for all those who were affected were considered. Following the initial response, the team nominated officers from appropriate services to attend recovery groups.

The team worked with colleagues from across the Council in response to an Avian Flu outbreak in wild birds. A report of approximately 70 dead birds in the Southport area was notified to the Council's Environmental Health Team in November 2021. The response included warning and informing the public and providing advice to internal departments on how to deal with further cases in line with DEFRA's national guidance.

During February 2022 a report was received from an offshore operator of oil and gas platforms in Liverpool Bay of a release of oil from a pipeline. The volume of oil release was initially unknown but estimated to be about 2.5 tonnes based on what could be observed on the surface. Modelling by Maritime & Coastguard Agency (MCA) counter pollution team indicated that oil could beach at the Sefton coastline. Subsequently, further data indicates that the actual spill could be in the region of 70 tonnes. ENI, the operator concerned, and their appointed clean-up contractors have joined a cross border Tactical Coordination group (TCG) established by Sefton's Risk and Resilience team. The TCG is in place to monitor sightings of oil deposits anywhere on the Sefton or North-West coastline and report confirmed findings to ENI. This will then be the trigger for ENI contractors and the affected LAs to begin clean-up operations on the shore. To date, there have not been any sightings in Sefton but there has been confirmed land fall within other North-West local authorities further north. Public facing communications are in place for Sefton.

Storms Dudley, Eunice and Franklin affected the area at the same time as the oil release noted above. This may have affected the disbursement of oil within the bay. The usual severe weather warnings were circulated by the team across Council departments for considerations of any risks affecting their service delivery and to take appropriate actions. The on-call EDC convened an internal severe weather group in preparation for Storm Eunice to understand Council actions being taken. These actions were shared publicly on Sefton's internet site and social media platforms.

Planning has begun for this year's Aintree Grand National Festival. As usual, the council will be supporting the racecourse with their evacuation planning.

During the quarter a request was issued to service managers to provide their latest Operational Risk Registers. The team is currently reviewing these documents to ensure consistency in recording operational risks and confirm the risk escalation process is being adhered to.

The Corporate Risk Register has been reviewed and is due to be presented to the March Audit and Governance Committee for noting. An alternative, enhanced method of updating the register has been introduced to ensure improved visibility and engagement in the process is achieved. Meetings with risk owners continue to be held virtually to ensure ongoing improvement to risk management arrangements across the Council.

Action to draft the Council's risk appetite has recently been initiated and is due to be developed over the next six weeks with a further update provided to the Committee at the next update.

6.2 Developments

- Major incident plans and processes will continue to be reviewed and associated risk assessment of operational activities documented to ensure safe working for members of the team and colleagues, partners and stakeholders.
- Plans are being drawn up for undertaking a Business Continuity Exercise with members of SLB.
- Ongoing review of the business continuity plans and consideration of content for continual improvement.
- Further development of Operational Risk Registers from all teams to support Service Risk Register content.

7. Assurance and Counter Fraud: Performance Update

7.1 Work Completed

The Council's participation in the Cabinet Office National Fraud Initiative has continued to see data matching exercises underway for the following data sets during the last quarter: -

- Housing Waiting List - to identify where an individual appears to have registered on the waiting list using a different address to the one on the waiting list suggesting possible undisclosed changes in circumstances or that false information has been provided.
- Covid Grant recipients

As part of the Council's membership of NAFN (the National Anti-Fraud Network), NAFN has advised all members to inform the relevant teams across the Council to be vigilant when receiving any requests for change of bank account details whether those requests are internal or external to the organisation. Employee victims were found to have had a strong online presence, which suggests the fraudsters became aware of their employer, using online methods/social media. Whilst our payroll teams in Sefton are vigilant and kept updated on these scams, an alert to all staff members with the suggestion they remove any employment details from their online/social media profiles was shared on the Sefton intranet.

The Council continues to share NAFN alerts with its own ICT contractor and School and Academies. One such example was an Office 365 Phishing attack.

Due to a high number the high number of Covid-19 Omicron Grant fraud reports that NAFN are receiving across the country they are collating incidents in one shareable Watchlist which is being circulated regularly to their members.

7.2 Developments

Business Support Grants and Business Rates datasets were mandated as part of The Cabinet Office's 2020/21 National Fraud Initiative (NFI) Work Programme data matching exercise in order to identify potential fraud. Phase 2 of Grants Recipients data matching is now underway, as part of the counter fraud response to the government COVID 19 programme which typically includes the following grant schemes:

- Christmas Support Payments

- Local Restrictions Support Grant (Open)
- Local Restrictions Support Grant (Closed)
- Restart Grants
- Additional Restrictions Grants

A NFI mortality screening exercise is currently underway with regard to the Council's Housing Waiting List and the Council Tax 2020/21 Council Tax Single Person Discount outcomes have been finalised and financial outcomes reported to the Cabinet Office.

The Council's Counter Fraud Strategy (draft) is to be consulted on with the Strategic Leadership Board during 2022. As part of the Counter Fraud Strategy the Council has already reviewed its arrangements against the latest Fighting Fraud and Corruption Locally (FFCL) Strategy (2020) which is the Local Government blueprint for tackling fraud in Local Government.

In September 2021 the Cabinet Office updated the Government Counter Fraud Professional Standards and Guidance- "Investigation Core Discipline". A self-assessment will be undertaken by Sefton against these standards.

Part of the Council's Fraud Strategy involves developing more capability and capacity within the Council to identify and punish fraudsters. During the early part of November 2021 in line with actions identified in the Annual Governance Statement, and to ensure compliance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption, the Council looked to recruit an Accredited Counter Fraud specialist on a fixed term basis to assist in the delivery of some key projects within the counter fraud work programme and play an active role in influencing and embedding an anti-fraud culture across the Council, liaising with operational managers on fraud risk controls etc. Regrettably, there was no response to that advertisement, so we have since been looking into alternative recruitment options to commence during 2022.

The three members of the Assurance Team continue to be seconded until end of June 2022 to the Business Grant Team to assist in the administration of the Liverpool City Region Grants.

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 embedding of regular risk management review across the Council to ensure that Operational and Service Risk Registers are updated on a regular basis.
- Define a draft risk management statement on appetite to be shared with Strategic Leadership Board.
- Continued delivery of the Internal Audit Plans for 2021/22, focusing attention on reviewing the key risks to the organisation, which will evolve as the Council changes particularly in light of Covid-19.
- Undertake limited testing of existing business continuity plans and refresh the existing BC plans.
- Completion of the review of the Health and Safety Policy, work on developing wider occupational health, safety and wellbeing of staff and the finalising of the Annual Health and Safety Report.
- Developing the Council's Counter Fraud approach firstly through rolling out the actions from the CIPFA Fraud Risk Assessment.
- Delivering on the service improvement plans for the Risk and Audit Team.

9. Conclusions

- 9.1 Internal Audit has made limited progress in the completion of the Internal Audit Plan 2021/22 due to difficulties in recruiting suitable internal audit staff. Performance in respect of the agreement of recommendations and the feedback from clients has been particularly positive and reflects the value added by the Service.
- 9.2 The Council's accident record continues to be positive 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 has been continuing to respond to the significant impact of Covid-19 helping to ensure that management put appropriate risk assessments are in place and provide guidance and support to colleagues.
- 9.4 The Council's insurance claims performance remains good.
- 9.5 Further work is planned to improve risk management within the Council by ensuring that a risk appetite is developed and ensuring 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 There are clear implementation plans in place across each of the service areas to deliver improvements which will result in improved services as well as an integrated risk and audit approach.