

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 7 March 2022 to 6 June 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 March 2022 to 7 June 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 24 February 2022 to 31 May 2022

During the period 37 audit assignments were completed and a further three assignments substantially completed at 31 May 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
Education Finance – Schools Regulatory Framework (Draft)	Major	3	5	5
Sacred Heart Catholic College (Draft)	Major	12	8	4
Factfinding exercise cutting across Communities, Children’s Social Care and Education	n/a	13	Nil	Nil
Council Tax	Minor	0	3	1
Fostering	N/a (Memo issued)	0	2	0
Sandway Homes (Draft)	Moderate	0	12	1
Corporate Governance Review (Draft)	Moderate	4	0	0
Operators Licence	Minor	0	4	1
Farnborough Road Infants School Audit	Moderate	0	4	1
Hudson Primary School	Moderate	3	4	0
Public Health Grant	N/a (Memo issued)	n/a	n/a	n/a
Holy Spirit School Audit	Major	3	4	2

Audit Title	Audit Opinion	Recommendations		
		High	Medium	Low
Cambridge Road Skills Hub 2021/22 Q4		Value of grant certified	£269,762	
Cambridge Road Skills Hub 2021/22 Q3		Value of grant certified	£100,713	
Southport Events Centre and Theatre - Pre-Dev works 21/22 Q3		Value of grant certified	£Nil	
Southport Events Centre and Theatre - Pre-Dev works 21/22 Q2		Value of grant certified	£20,433	
Southport Pleasure Land 21/22 Q2		Value of grant certified	£Nil	
Southport Pleasure Land 21/22 Q3		Value of grant certified	£Nil	
Southport Pleasure Land 21/22 Q4		Value of grant certified	£Nil	
Sefton Town Centres - 2021/22 Q4		Value of grant certified	£227,501	
Southport Eastern Access Pre-Development 21/22 Q4		Value of grant certified	£28,548	
Southport Eastern Access Pre-Development 21/22 Q3		Value of grant certified	£37,294	
Maritime Corridor Pre-development 21/22 Q3		Value of grant certified	£48,621	
Bootle Area Action Plan 21/22 Q4		Value of grant certified	£39,879	
Bootle Area Action Plan 21/22 Q3		Value of grant certified	£30,726	
Acquisition of Land & Property (Bootle Town Centre) 21/22 Q4		Value of grant certified	£180,183	
Buckley Hill 21/22 Q4		Value of grant certified	£Nil	
Buckley Hill 21/22 Q3		Value of grant certified	£512,210	
Acquisition of Land & Property (Bootle Town Centre) 21/22 Q3		Value of grant certified	£55,757	

Audit Title	Audit Opinion	Recommendations		
		High	Medium	Low
Maritime Corridor Pre-Development 21/22 Q4		Value of grant certified £49,920		
Crosby Lakeside 21/22 Q4		Value of grant certified £440,917		
Crosby Lakeside 21/22 Q3		Value of grant certified £209,911		
Crosby Lakeside 21/22 Q2		Value of grant certified £349,071		
Crowland Housing Development 21/22 Q4		Value of grant certified £16,338		
Crowland Housing Development 21/22 Q3		Value of grant certified £9,182		
Crowland Housing Development 21/21 Q1		Value of grant certified Nil		
A59 2021/22 Q2 – report match funding		Value of grant certified Nil		
A59 2021/22 Q3 – report match funding		Value of grant certified Nil		
A59 Port Capacity 2021/22 Q4		Value of grant certified £5,250		
Work substantially completed as at 31 May 2022				
Use of Procurement Waivers	Draft report prepared and meetings arranged with key managers			
Assurance Mapping	The Audit Team have refreshed the Assurance Mapping completed in 2020/21 which will be used to inform the Annual Opinion from the Chief Internal Auditor.			
Annual Governance Statement	The Audit Team have facilitated the development of the Annual Governance Statement working with Finance and Legal Services. This work helps to shape the Corporate Governance Review that is undertaken.			

Draft Audit Reports previously reported to Audit and Governance Committee.

Audit Title	Audit Opinion	Recommendations		
		High	Medium	Low
Highways Maintenance – Contract Management 2021/22 Q3	Major	0	7	1

The high priority recommendations outlined in the final audit reports issued in the period 24 February 2022 to 31 May 2022 are summarised as:

Education Finance – Schools Regulatory Framework (Draft)

A number of high priority recommendations require that Management review regulations in relation to schools' procurement including Schools' Contract Procedure Rules.

Sacred Heart Catholic College (Draft)

Recommendations are made in relation to the college adopting Council policies and approving its own policies, budget monitoring, pay enhancement approvals, the school fund and insurance arrangements.

Corporate Governance Review (Draft)

Within the report the draft significant governance issues as will appear in the Annual Governance Statement are included and in addition other high priority findings and recommendations including data quality assurances, improvements to risk management, engagement with the annual governance review process and assurances from subsidiaries.

Factfinding exercise cutting across Communities, Children's Social Care and Education

Management have agreed to implement improvements across several areas including guidance and fact sheet updates, the SLA with Sefton Carers Centre, improvements to claim forms, updating guidance on non-permanent employees and introducing sample checks on casual workers.

Hudson Primary School

The school should formally adopt both the *Financial Regulations for Schools* and, the *Scheme for Financing Schools* and ensure that the *Delegation of Duties and Responsibilities* is reviewed and approved annually.

Holy Spirit Primary School

The school should review and update its Finance Manual ahead of approval by the Governing Body, keep its inventory up to date and ensure the school fund is audited and reported to the Governing Body.

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</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>100% See graph below</p>	<p>62% See graph below and narrative</p>	<p>38%</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>

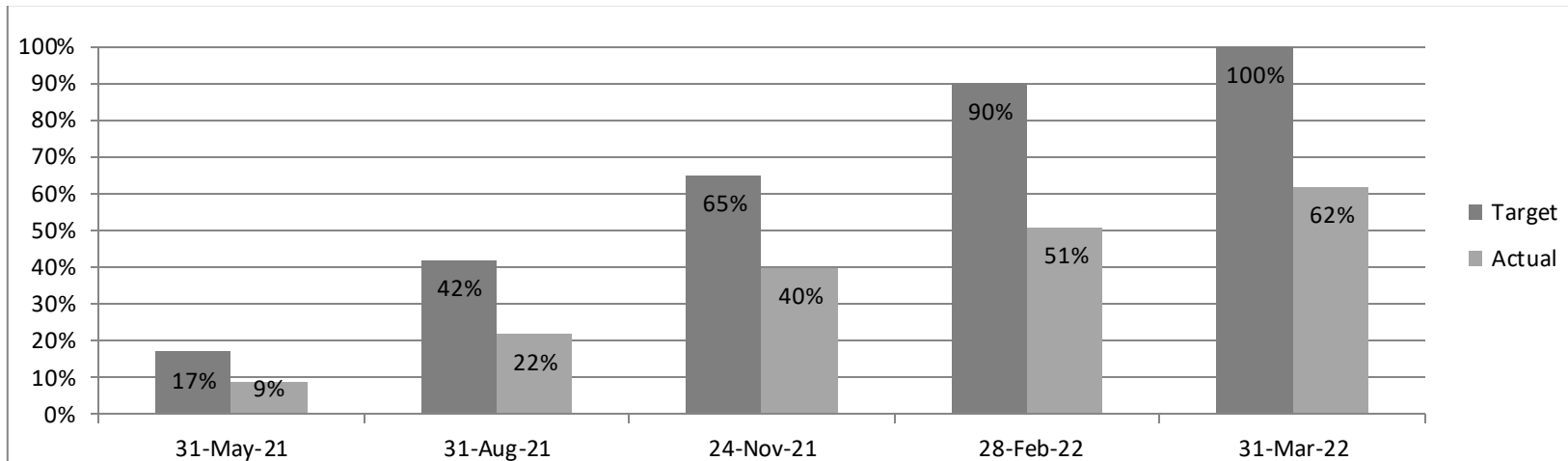


Figure 1: Percentage of the Internal Audit Plan 2021/22 Completed (profiled to coincide with the Audit and Governance Committee reporting dates)

3.3 2021/22 Resources and Performance

The delivery against the Annual Audit Plan was below 100% and as discussed in previous reports reflected staff absences through illnesses and difficulties in trying to obtain suitable additional temporary resources in a challenging job market for employers. The following timelines provides an example of the difficulties that were experienced in recruiting candidates.

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. The recruitment process started in January 2021. Repeated recruitment exercises were 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 in some cases taking candidates from across the UK as the team was essentially home working. Despite having a flexible approach, we were only able to appoint one Principal Auditor 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. The tight recruitment market is not forecast to change in the short term.

One of the Principal Auditors returned to work earlier in the year on a phased return after a period away with unplanned leave but later retired on grounds of ill health at the end of 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 until the end March 2022. Another member of the team returned to work towards the end of February 2022 after being on maternity leave from the start of the financial year.

Following the 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.

We recognise that the delivery against the annual audit plan was below expectations and 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 outside 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 which we are seeking to partially mitigate against.

3.4 2022/23 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 2022. 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</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>17%</p> <p>See graph below</p>	<p>13%</p> <p>See graph below and narrative</p>	<p>4%</p> <p>Vacant posts have pulled performance down but work on Annual Governance Statement and Corporate Governance Report ahead of schedule.</p>
<p>Percentage of Client Survey responses indicating a “very good” or “good” opinion</p> <p>This measures the feedback received on the service</p>	<p>100%</p>	<p>100%</p>	<p>No variance</p>

Description and Purpose	Target	Actual	Variance and Explanation
provided and seeks to provide assurance that Internal Auditors conduct their duties in a professional manner.			
Percentage of recommendations made in the period which have been agreed to by management	100%	100%	No variance
This measures the extent to which managers feel that the recommendations made are appropriate and valuable in strengthening the control environment.			

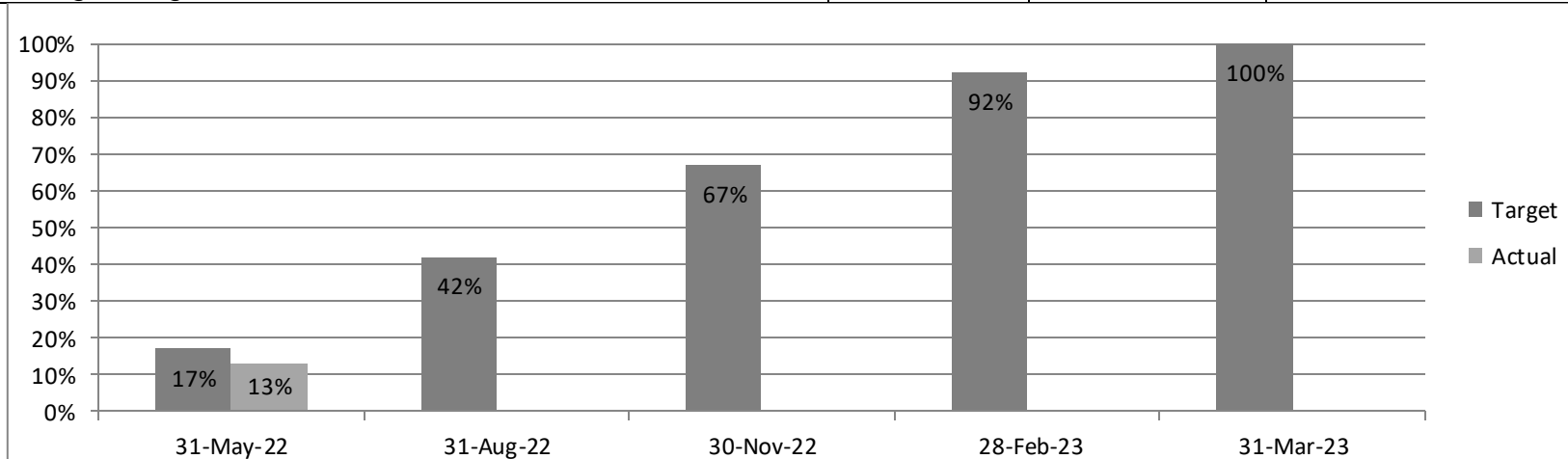


Figure 1: Percentage of the Internal Audit Plan 2022/23 Completed (profiled to coincide with the Audit and Governance Committee reporting dates)

The figures whilst below target are substantial improvement on last year's performance figures. We have certified a large number of grant claims as the end of the financial year necessitates that we provide returns on time to the Liverpool Combined Authority. As discussed in the March 2022 update we have a programme of recruiting auditors this financial year and have taken prudent judgements on when they will start.

Between 1 April 2022 and 30 June 2022, the complement for the team is two Full Time Equivalent (FTE) Principal Auditors, One FTE Audit Manager and one FTE Trainee Auditor. The Audit Manager has been involved in confirming that the certification of the grants is valid.

The proposed recruitment timeline for the Internal Audit Team is detailed below:

At the end of March 2022, the two fixed term Principal Auditors left the team. A third Principal Auditor on a fixed term contract has agreed to move from part-time to full-time from 1st April 2022 and agreed to an extension to his contract until 30 September 2022 after which he is due to retire. I am pleased to report that a permanent appointment has been made to one of the vacant Principal Auditor positions and appointee is due to start on 1 August 2022. A second exercise is currently on going and it is hoped that an appointment can be made in the coming weeks.

Currently there are a number of CIPFA finance graduate trainees that the Finance 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 role.

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 Internal Audit Plan for 2022/23 reflects the work we can expect the two new team members to undertake.

Since the start of the new Financial Year we have had two staff members absent due to Covid-19 although both members have now returned back to work.

3.5 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.

3.6 Adult Social Care Debt Management Follow-up of Audit Agreed Actions

At the December meeting Members were advised that one of the previous audits with a major risk opinion, Adult Social Care Debt Management, was behind on the delivery of the audit agreed actions in part due to Covid-19 and that we would report progress at the June 2022 meeting. We are pleased to report that substantial progress has been achieved by Adult

Social Care, Finance and Revenue and Benefits teams in delivering the agreed actions and whilst there are a small number of recommendations to implement this delay is essentially down to outside contractors. We will continue to monitor progress and advise Members accordingly

3.7 **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.
- Advertised in the national press and industry specific job pages to identify and appoint suitable permanent members of the team.
- Successfully recruited a permanent Principal Auditor who is due to start in August 2022. This appointment is helping with the delivery of the Audit Plan.
- Used the new database of outstanding audit recommendations, have begun the process of verifying implementation of previously agreed recommendations.

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.
- Roll out a proposal to management to develop the three lines of defence model recommended by the Institute of Internal Auditors
- To start preparations for upcoming Public Sector Internal Audit External Assessment due in coming year.
- Complete the recruitment of the two permanent Principal Auditors and a six-month placement for a CIPFA trainee.

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. The fixed term Health and Safety Officer (Schools and Commercial) was appointed for a two-year appointment from 1 April 2022 until 31 March 2024 with the post being filled by an existing member of staff on a fixed term contract that finished on 31 March 2022.

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 continues 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 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 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. Council building and operational risk assessments have been reviewed and are being updated, providing assurance to Council managers and staff.

The health and safety audit process has been redesigned, with a new programme of auditing in place. Educational settings and service areas complete a questionnaire and submit evidence in advance of a site visit, where evidence against practice is verified.

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

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 Construction Design and Management (CDM), Fire Risk Assessments, personal and corporate security, driving for work, Dangerous Substances and Explosive Atmosphere Regulations, first aid provision and local emergency response. 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 workstation arrangements (Display Screen Equipment Regulations 1992) with the increase of hybrid working, and the Stress Management Standards. The team have worked collaboratively with other service areas to ensure the Council's 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.

Utilisation of the on-line incident reporting system is increasing, and there is evidence of improved investigation which is very positive. 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 Corporate 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 Corporate 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, providing advice and conducting audits.

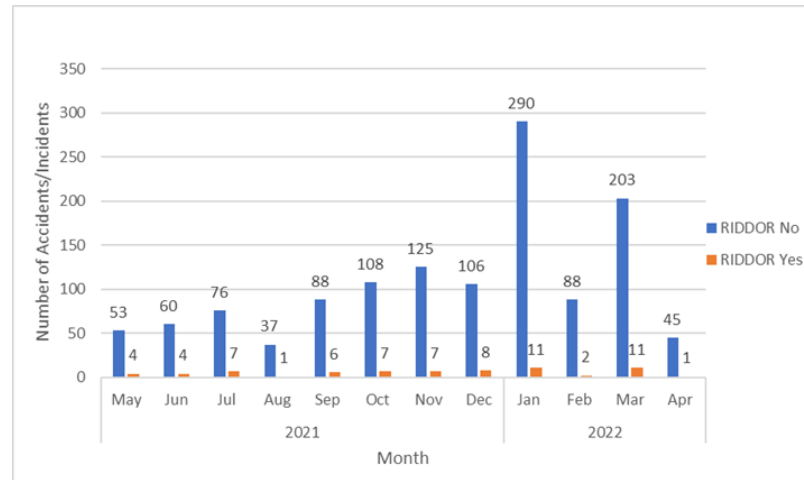
EVOLVE provide online services for schools, including a tool for planning and managing educational visits, after school clubs and sports fixtures. The Health and Safety Team continue to provide support and guidance to schools and their Educational Visit Co-ordinators (EVC). The EVOLVE system allows schools 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. The next EVC course is planned for June 2022. The format of the live online training has proved very successful.

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.

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.

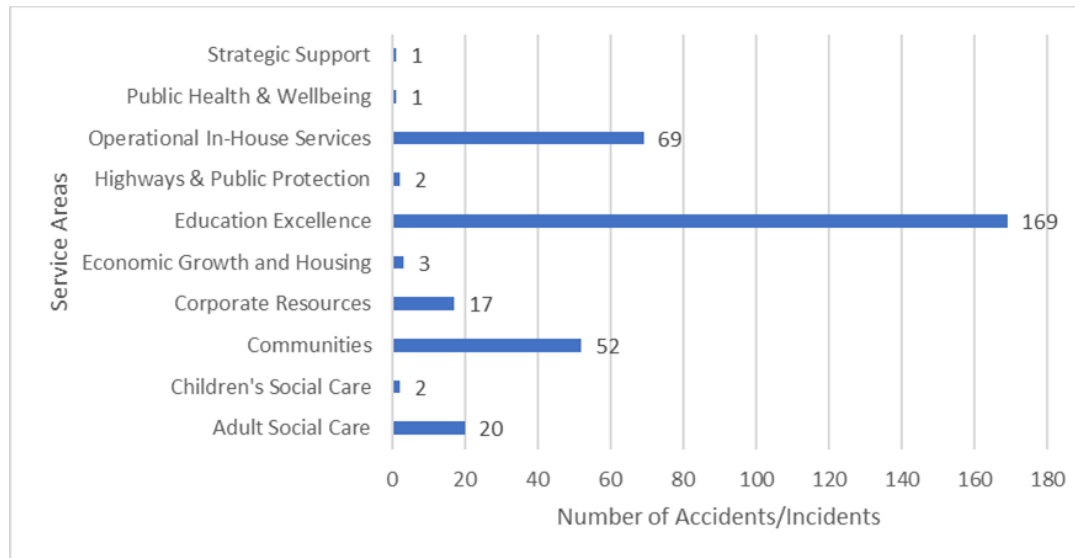
Graph 1 below compares accident and incident data over the past year. Most of the incidents reported are COVID-19 related.



Graph 1: Accident and incident data between 1 May 2021 to 30 April 2022

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

Accidents and incidents reported across each of the Council Services between 1 February 2022 to 30 April 2022 are in Graph 2 below.



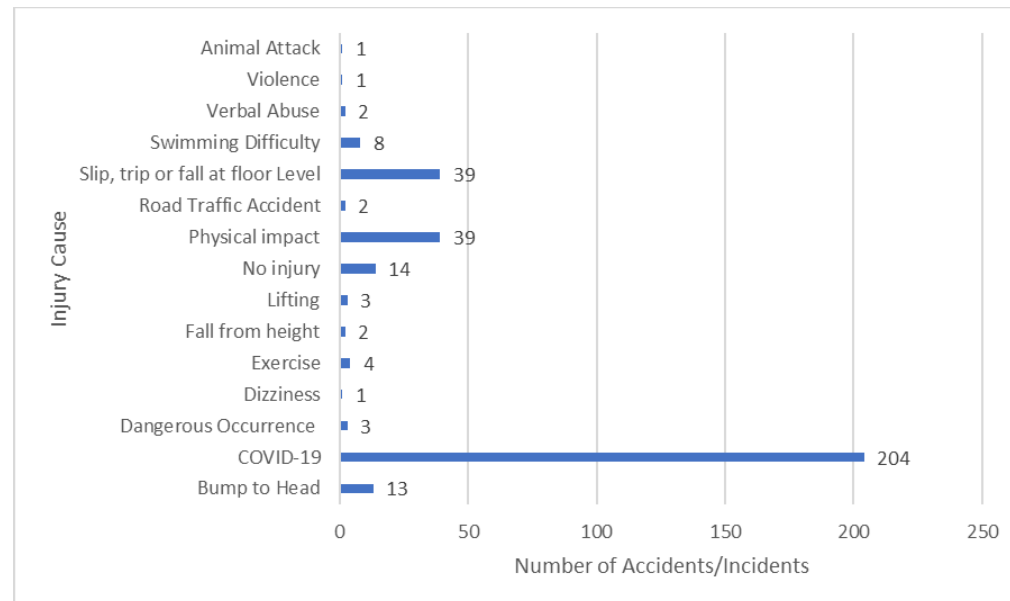
Graph 2: Accident and incident data across Council Service Areas between 1st February 2022 to 30th April 2022

Education Excellence, Operational In-House 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. Other factors include continued essential service delivery during the various pandemic restrictions.

Services not listed above have not raised any incident reports during this period. These include Commercial Services. This is due in part to staff team sizes. Previous low reporting was due to the significant numbers of staff working from home.

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 shows the reported causes of accidents and incidents reported across Sefton Council from 1 February 2022 to 30 April 2022.



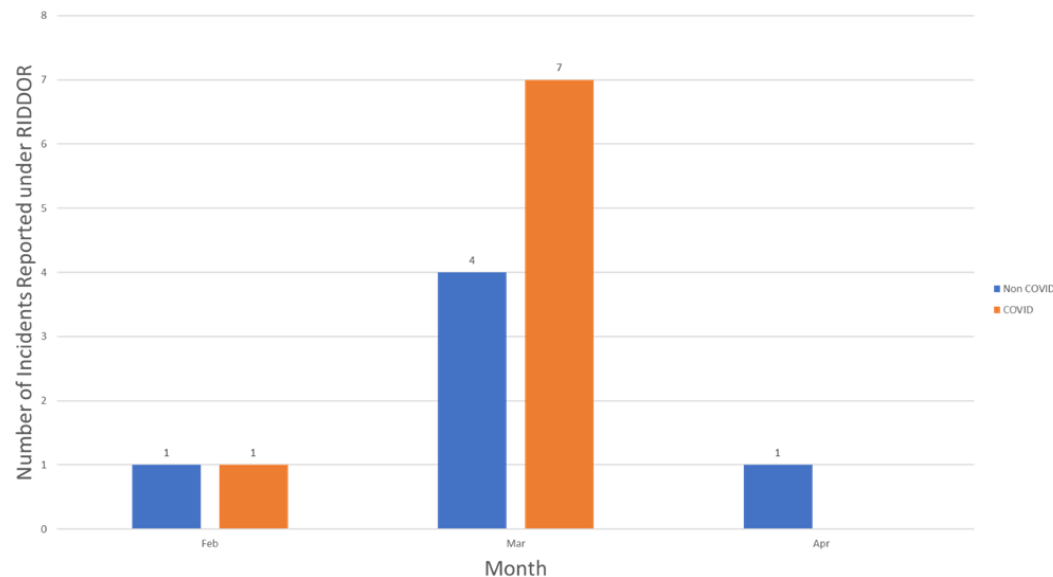
Graph 3: Accident and incident data by Cause between 1 February 2022 to 30 April 2022

COVID-19 positive cases have remained the most common cause, followed by slips and trips and contact sports / play injuries, which would be expected due to the increase in footfall and reopening of additional service provision.

Through discussions with staff and at Health and Safety Committees, incidents of threatening and abusive behaviour and poor mental health, including stress 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. Further work is being undertaken to assess and implement change across the Council to improve personal safety and cases of poor mental health and wellbeing.

Graph 4 shows the number of notifications made to enforcement authorities and insurers under the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), between 1 February 2022 to 30 April 2022, also known as RIDDOR reports.



Graph 4: RIDDOR Reports raised between 1 February 2022 to 30 April 2022

Positive cases of COVID-19, where there is evidence of workplace transmission has been reported under the RIDDOR regulations. Once again, the increase in workplace transmission during March was comparable with the National trend (Source: HSE, National Statistics Office, Government COVID data). It should be noted that testing for COVID-19 has ceased in April, which also affects data.

Additional reports raised under RIDDOR were mostly for fractures sustained from slips, trips and falls (on ground level) and work at height.

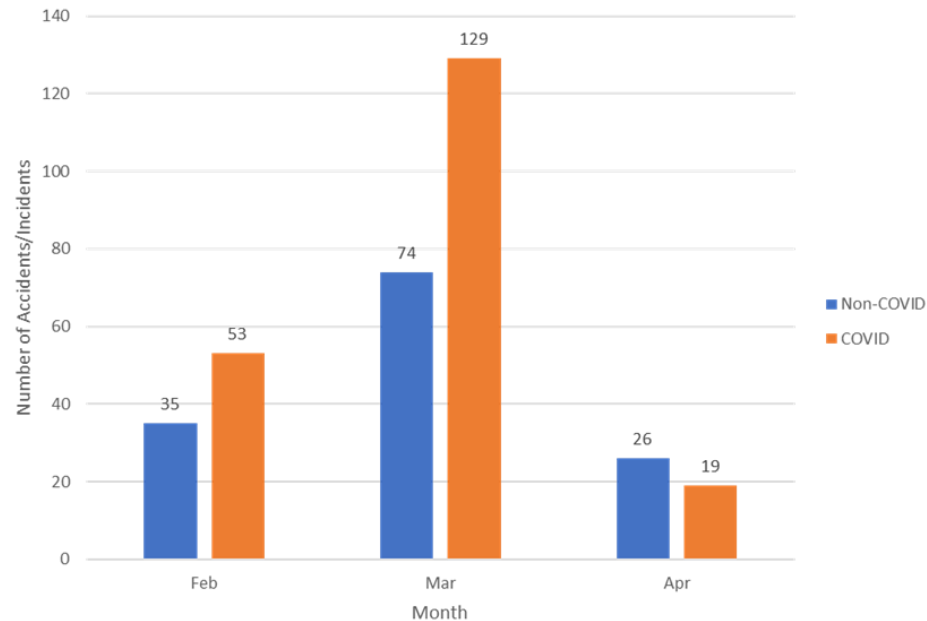
Whilst carrying a stepladder, a member of staff fell over a piece of wood which was on the floor. The wood was a very similar colour to the ground underneath making it hard to see. They were taken to hospital by ambulance where it was confirmed they had sustained a broken arm.

An agency worker accidentally kicked a water grid, which caused them to fall. They suffered a fracture injury as they had put their hand out to protect themselves from the fall.

A further accident involved a fall from low level play equipment. The nature of the fall caused a break to the arm.

The Health and Safety Team have seen a significant rise in slips, trips and falls. This is typical when re-opening to full-service delivery and educational activities and would be anticipated during this period.

Graph 5 demonstrates the impact of COVID-19 on Council staff, by highlighting the number of COVID reports raised alongside no-COVID-19 reports. Moving forward, it will be difficult to present this data due to changes in testing and national reporting requirements.



Graph 5: Nos of incidents COVID-19/ Non-Covid 19 between 1 February 2022 to 30 April 2022

Testing for COVID-19 is now limited and removed from most settings.

There is no longer a requirement to report workplace transmission to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) RIDDOR except where an employee has been infected with coronavirus through:

- Deliberately working with the virus, such as in a laboratory, or
- Being 'incidentally exposed, to the virus.

Incidental exposure can occur when working in environments where people are known to have COVID-19, for example in a health or social care setting. Risk assessments are still required for these activities.

Front-line services may continue to be at risk of staff experiencing upper respiratory tract and other infections, due to their exposure to the public and potentially vulnerable people.

The Health and Safety Team continues to work closely with Public Health colleagues during this 'recovery phase' on COVID—related issues and have greatly appreciated their ongoing support.

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 the review and updating of risk assessments.
- 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.
- 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 continues to support schools in the safe storage and where necessary, destruction of their radioactive sources.

5. Insurance: Performance Update

5.1 Work Completed

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

- As previously reported, to meet the biannual requirement of the Council's External Auditors, an Actuarial Report which provides an analysis of current claims reserves, a forecast of expected ultimate losses after allowing for volatility and considering emerging risks within the sector was undertaken by an external supplier earlier in the year. Results from the exercise suggested that an extra £0.5m should be put aside into Council reserves and this is currently being considered prior to member decision. The next Report will be commissioned at the start of the 2024 calendar year.
- 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 Highways tripping claim heard at Trial. Whilst the Judge accepted the Claimant's evidence that the fall had occurred at the accident locus, he did not find the defect to be dangerous, and therefore Section 41 of the Highways Act 1980 was not satisfied by the claimant. The Judge noted that as the defect was not visible, it was not a foreseeable danger. Furthermore, he was satisfied that the Council would have successfully established a Section 58 defence, had this been necessary. The claim had a £19k reserve placed on the claim.
- A further matter that Weightmans had been handling on behalf of the Council with a significant reserve of £100k has recently been discontinued by the claimant. For some time, Weightmans had been awaiting precise details of negligence from the third-party solicitors to fully understand the nature and viability of the claim and had placed the solicitors on notice that the limitation moratorium would be terminated if they did not comply with the request.
- An external review of the Council's Tree Management Strategy and Policy implementation has been undertaken by the Council's claim management provider to provide assurance that the current and proposed approach on Tree Management is suitable and effective in meeting our legal obligations. As part of the Council's Insurance Programme there are a number of free risk management days that the Council is entitled to use to improve risk management and the review will come out of the allocated days. The draft report is due to be completed in June 2022 and the key areas will be shared with the Committee at the next meeting.

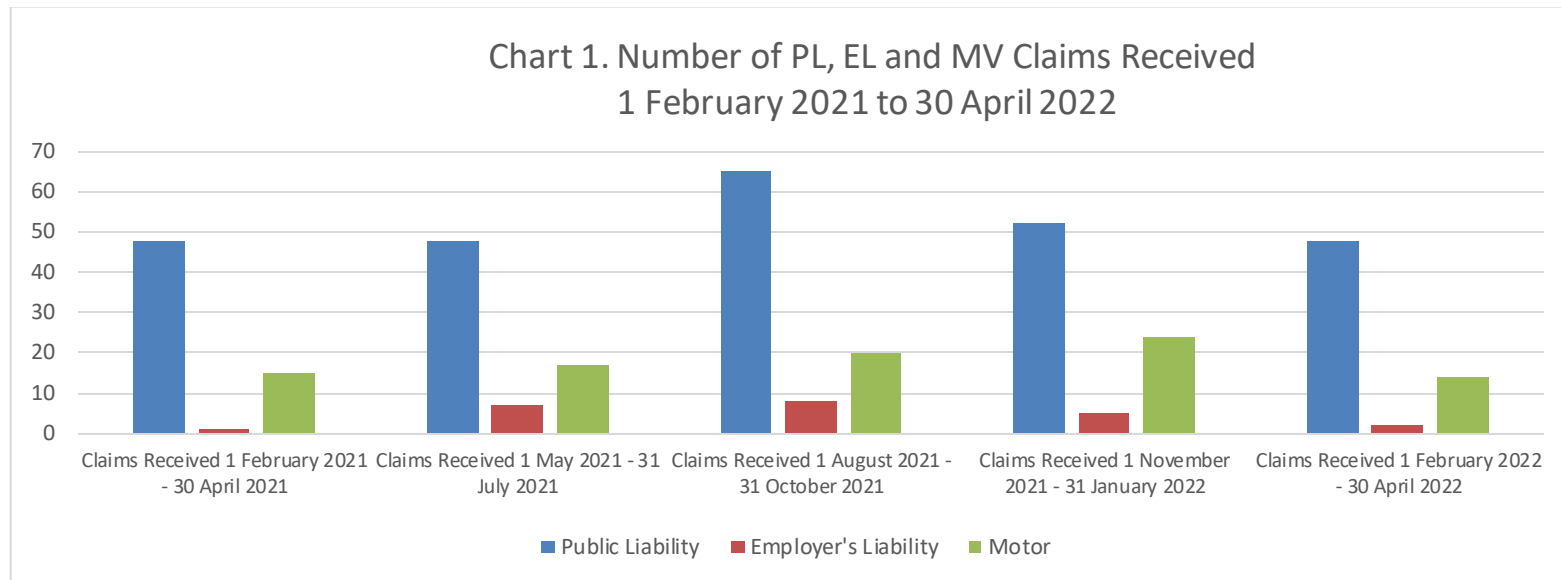
- The Team continues to work extensively with service areas to improve the management of insurable risk especially in areas where there are high numbers of claims or areas of concern. The Council generally has high defensibility rates, and such risk management activity will assist in maintaining and potentially improving the position further. With colleagues from the Health and Safety Team, a joint meeting was recently held with the Catering Team to assist with the understanding of capturing detailed information with documentary evidence on incidents and the surrounding circumstances as soon as possible after the event occurs. This will enable a fuller and fresher picture of events to be presented as soon as possible after a claim is received, and ultimately assist with defensibility. It should be noted that the Catering Team have not been singled out for any particular reason, and that similar work with other service areas is required and will hopefully be rolled out in the future.

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 February 2021 to 30 April 2022.
- Value of the reserves for PL, EL and MV claims received by Sefton Council for the period 1 February 2021 to 30 April 2022.
- The average reserve value for PL, EL and MV claims received by Sefton Council for the period 1 February 2021 to 30 April 2022.

The chart 1. below outlines the number of claims for PL, EL and MV received for the period 1 February 2021 to 30 April 2022.



PL claim numbers have decreased by 7% since the last quarter and, equalling the number received in the first and second quarters, represent the lowest number received for the overall reporting period and a 26% decrease from the middle quarter peak. Highways remains the service area with the majority of claims (60%) of which there were 62% received for personal injury and 38% property damage. A further 23% of all claims received relate to the Tree & Woodland Team (Green Sefton) – all of which are property damage, with three of these relating to the storms in February.

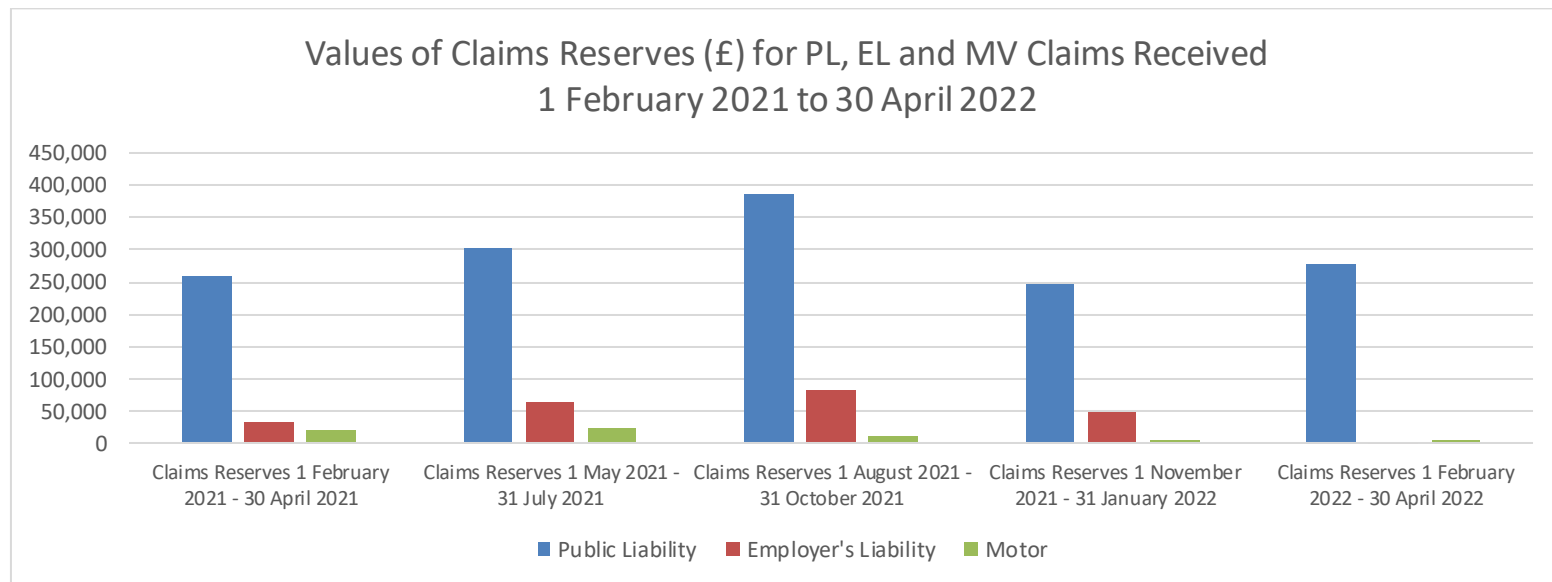
EL claim numbers for the last quarter are the second lowest of the overall period at a decrease of 60% from the fourth quarter and a more significant 75% decrease since the peak in the third quarter. Whilst slightly higher than the first quarter, they remain in line of being at an average for the size of the Authority's workforce.

Numbers of MV claims received have also decreased in number and stand at 42% lower than the last quarter to be the lowest number reported in the overall period. As would be expected, due to the number of vehicles within the Fleet, the Waste and Street Cleansing service area account for the majority of claims (35%), however all these claims relate to own

damage, with the exception of one where a third-party vehicle was damaged. As per the last report, 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 2. below outlines the value of the reserves for PL, EL and MV claims received for the period 1 February 2021 to 30 April 2022.



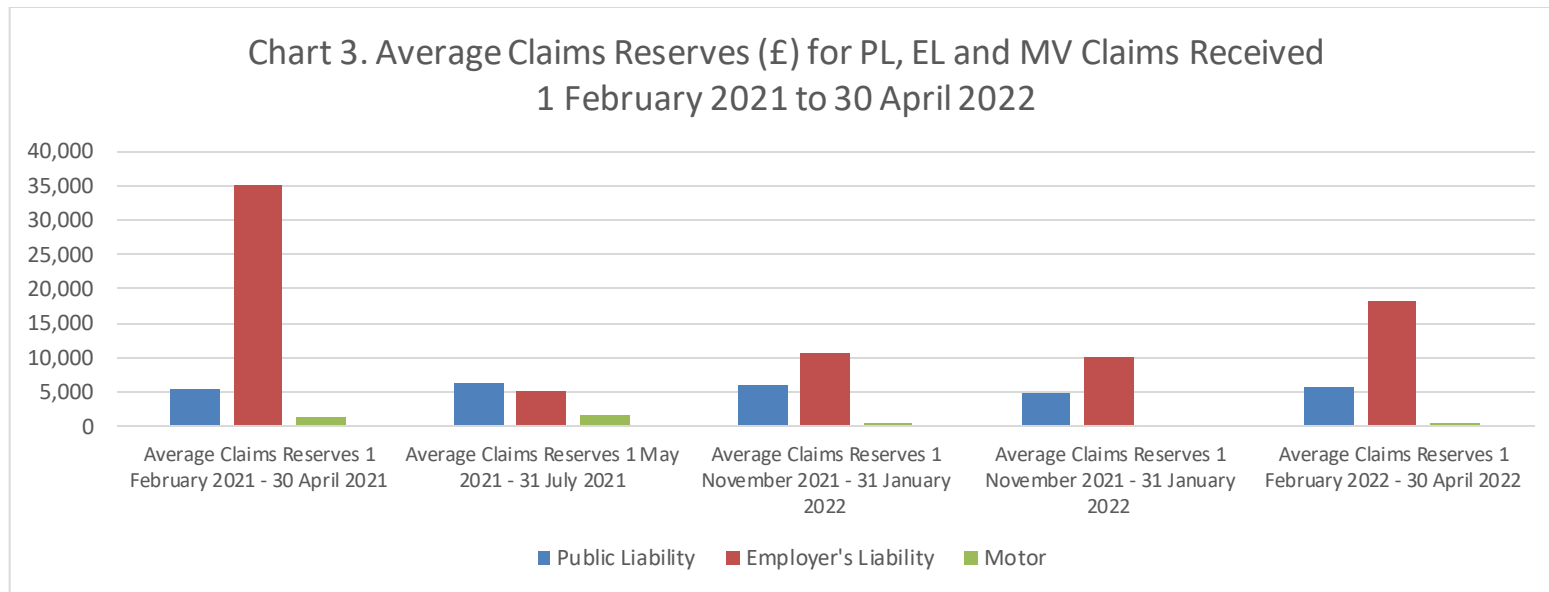
Claim reserves are allocated by the insurers and/or claims handlers independent of the Council and are determined by the type of injury sustained by the third parties and/or damage occasioned to their property.

Despite the number of PL claims being the lowest for the overall period, reserves for this quarter are the third highest and reflect the type of injury and/or damage sustained by third parties. A third of claims received in this quarter have individual reserves of £10k or more with all but one relating to personal injury.

Following the decrease in claim numbers, EL claims reserves have also decreased and stand at a 28% lower than the previous quarter, and at 57% lower than at the peak of the period in the third quarter. The reserves reflect the nature and type of injury sustained by the employees.

MV reserves have also decreased and stand at the lowest during the overall period, 18% lower than the last quarter and a significant 76% lower than the same period last year. As none of the claims relate to personal injury, and there have been no major damage claims, this has assisted in the reserves being kept at a low level.

The Chart 3. below outlines the average value of the reserves for PL, EL and MV claims received for the period 1 February 2021 to 30 April 2022.



Reflecting the increase in PL claims reserves, and despite lower claim numbers, the average reserve has increased by 21% from the last quarter, due to the type and complexity of injury and/or damage sustained by third parties.

EL claim numbers and reserves both decreased over the period, and the average reserve at the end of the period is low due to the nature and simplicity of injuries reported to Insurers.

Although the average MV claims reserve has increased by 40% since the last quarter, it remains the second lowest of the overall period and 74% lower than the first quarter.

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 is currently heavily involved in preparing for the upcoming renewal of insurances for the Council and its associated subsidiary companies of Sefton New Directions, Sandway Homes and Sefton Hospitality Operations Limited. Collaboration is underway with all service areas 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. The ultimate outcome of renewal negotiations (the last of the current Long-Term Agreement) will be presented in a future update. The current insurance market continues to be challenging with insurers focused on technical pricing to ensure profitability over market share with varying appetites for risks which is leading to limited cover being available on some policy cover such as Directors and Officers.
- Following the recent soft market test to better identify and understand the required approach to undertaking the effective re-valuation of the properties not covered in the two previous re-valuation exercises, the Team are currently liaising with insurers to determine a general agreement to the principle of the methodology to be used and guidance as to what is an acceptable sample rate of properties to be visited before extrapolating across the specific property categories. A tendering exercise will then be undertaken to satisfy insurers needs and ensure the Council has assurance that it has the appropriate level of material damage cover in place for each Council building.
- 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. Current ongoing use of these days relate to assisting the Highways Team with reviewing their Winter Service Plan and working alongside colleagues in the Tree & Woodland Team to undertake a Tree Risk Management Review. The objective of both is to conduct a critical examination of the adequacy of the risk management strategy and/or processes currently in place for reducing liability for any claims.

- 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 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.

A review of Business Continuity plans from each Service area is being undertaken by the team. As part of the regular reassessment, 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 created 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.

The Merseyside Resilience Forum (MRF) has resumed pre-pandemic working groups to deliver on the business plan for the coming year and the team continue to be engaged in various task and finish working groups to plan and deliver multi-agency programmes of work. The team were involved in developing the new MRF Human Aspects Framework which will shortly go out for consultation with forum member organisations. This document is for multi-agency use but predominantly acts as the overarching framework for how Merseyside councils can tailor their local arrangements for response to emergencies where human aspects issues arise e.g., evacuations, persons displaced from their homes, setting up reception /rest centres.

An awareness session was held for the council's Crisis Response Team in May at Crosby Lakeside Adventure Centre. (CLAC). This venue is also one of the local authority designated Reception / Rest Centre providers so was an opportunity for members of the team to familiarise themselves with the layout and facilities. Presentations were given from British Red Cross about their role in emergency response and how they and other voluntary sector agencies will support local authority teams at the time of an incident with some case studies and insight into their experience and capability. The Crisis Response Team Manager also gave some feedback from recent training she attended for Multi-agency Gold Incident Command. The session was well received, and the team were encouraged to feedback to enhance understanding of training needs for the next awareness session.

Following recruitment of new members to the Crisis Response Team, two colleagues attended Decision Loggist training in March hosted virtually by the Emergency Planning College (EPC). This is to ensure that the council has sufficient resources in the Decision Loggist role to support Emergency Duty Co-ordinators when required. Two further officers have since expressed interest in joining the Loggist team and will attend the next available EPC training course.

Following the Pandemic, more agile ways of working have been considered and this approach has also been applied to how the council could locate officers for a meeting of an Emergency Management Team in the event of a major incident. It will still be possible to use MS Teams to meet virtually but several agile spaces have also been identified across the geographical footprint of the borough where officers could meet physically in a larger space. We are now working with IT to assess requirements to provide the additional functionality needed for an effective emergency co-ordination facility.

The Council has a number of Executive Directors and Heads of Service who are new to the Emergency Duty Coordinator (EDC) role. In February 2022, three Officers attended Multi-Agency Gold Incident Commander (MAGIC) course. This training is hosted by the College of Policing and is accredited for those who complete the full 3.5 days. A further three Officers will attend the next planned sessions in October 2022.

In February 2022, Sefton council was alerted to an oil leakage from the operator of an off-shore oil and gas platform in Liverpool Bay. The leakage was from a breach discovered in a submerged pipeline. Early modelling from the operator and Maritime & Coastguard Agency (MCA) counter pollution team indicated that oil could beach at the Sefton coastline. Daily shoreline assessments were carried out by Green Sefton coastal officers and the Operator's clean up contractor for approx. six weeks and regular multi-agency Tactical Co-ordination Group (TCG) meetings convened to monitor landfall on the with Merseyside and other coastal local authorities on the North-West coast. During this period, minimal landfall was confirmed at a couple of locations on the Lancashire coast but none in Sefton.

Considerable time was invested by the team to co-ordinate the internal and cross-border response arrangements, TCG meetings and reporting requirements and situation reports as well as setting up response pages and information for the plethora of agencies involved via Resilience Direct.

The team organised an internal structured debrief in April and represented on behalf of Merseyside LRF at a multi-agency cross border debrief in May. A financial claim is being collated for submission as a joint agency claim with the MCA and other responders. This will go to the operator for consideration.

As a result of Storms Dudley, Eunice and Franklin which occurred around the same time, the team are developing an internal protocol around severe weather events which will support EDC knowledge and co-ordination of council capability and capacity.

The team have attended weekly Project, Operational and Multi Agency meetings to support the Council's response to the Homes for Ukraine scheme. Initial meetings were held to ensure that 24/7 arrangements were in place from each local authority to support Ukrainian guests arriving in the borough in case of problems transferring to their intended sponsors homes. The ongoing work is to ensure a risk register for the project is an accurate reflection of the continuing involvement of the Council to support this scheme.

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.

The Team continues to work with service managers on review and improvement of 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 June 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 is currently underway with an external facilitator meeting Officers and Members to assist in drafting a Risk Appetite statement. The plan is for the draft risk appetite to be provided to Cabinet for approval and the Corporate Risk Management Handbook to be amended to reflect the changes. Initially the review of the Corporate Risk Handbook would be provided to the June Committee for approval however this is likely to be September 2022 now.

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.
- Working with Public Health to provide assurance of arrangements in place via the Health Protection Forum on health risks associated with severe or extreme weather.
- 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, including an exercise to ensure escalation of Operational risks to Service Risk Registers where appropriate.

7. Assurance and Counter Fraud: Performance Update

7.1 Work Completed

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.

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

The Assurance Manager who has been responsible for the Council's counter fraud co-ordination and reporting retired from the Council on the 31 March 2022. There are plans to use this opportunity to restructure the Risk and Audit Team to provide a dedicated qualified counter fraud professional as well as address some other anomalies in the structure. As a result, there will be limited progress on Counter Fraud until the resourcing issues are addressed.

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.

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. There are plans for two staff members of the Assurance Team to be seconded to Revenues and Benefits for a six-month period to provide additional capacity.

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 2022/23, 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. Progress on the 2022/23 audit plan has been promising.
- 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.