

# Risk and Audit Service: Performance

Audit and Governance Committee  
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# 1. Executive Summary

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- 1.1 This report summarises the performance and activity of the Risk and Audit Service for the period 1 September to 30 November 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

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- 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 1 September 2022 to 30 November 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 Completion of 2022/23 Audit Plan from 13 August 2022 to 30 November 2022

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

| Audit Engagement                  | Audit Opinion | Recommendations |        |     | Progress since last update   |
|-----------------------------------|---------------|-----------------|--------|-----|--|
|                                   |               | High            | Medium | Low |  |
| <b>Final Reports issued</b>       |               |                 |        |     |  |
| Operator's Licence                | Minor         | 0               | 3      | 2   | Final Report issued.   |
| SEND 2021/22                      | Major         | 4               | 2      | 1   | Final report issued.   |
| AGS 2021/22                       | n/a           | n/a             | n/a    | n/a | The Final Annual Governance Statement has been shared with the Chief Executive and with SLB. |
| Corporate Governance Report 21/22 | Moderate      | 4               | 0      | 0   | Final report issued.   |
| Performance Management            | Minor         | 0               | 1      | 5   | Final report issued.   |
| Aiming High                       | Moderate      | 3               | 8      | 0   | Final Report Issued  |
| Beach Parking Income              | Moderate      | 0               | 5      | 3   | Final Report Issued.   |
| Golf Income                       | Moderate      | 0               | 6      | 3   | Draft report has been issued to the client for consideration.                                |
| Schools Budget Monitoring         | Moderate      | 0               | 5      | 1   | Final Report Issued  |
| Contain Outbreak                  |               |                 |        |     | The grant certified for £12.7 million. The proposed work                                     |

| Audit Engagement                      | Audit Opinion | Recommendations |        |     | Progress since last update   |
|---------------------------------------|---------------|-----------------|--------|-----|--|
|                                       |               | High            | Medium | Low |  |
| Management Fund                       |               |                 |        |     | was included in the annual audit plan.   |
| <b>Draft Report issued</b>            |               |                 |        |     |  |
| Procurement                           | Moderate      | 0               | 10     | 0   | Draft report has been issued to the client for consideration.  |
| Climate Emergency                     | Moderate      | 0               | 4      | 3   | Draft report has been issued to the client for consideration.  |
| Performance Management                | Minor         | 0               | 1      | 5   | Draft report has been issued to the client for consideration.  |
| Direct Payments                       | Major         | 11              | 11     |     | Draft report has been issued to the client for consideration. 1 August 2022  |
| Business rates                        | Moderate      | 1               | 3      | 3   | Draft report has been issued to the client for consideration   |
| Sandway Homes - 2021/22               | Moderate      | 0               | 12     | 1   | Draft report issued and recently received update on narrative to facilitate discussions ahead of finalisation.   |
| SeftonArc Security Services – 2021/22 | Major         | 13              | 35     | 2   | We previously reported to the June Committee that the draft report had been issued in May 2022. Operational In-House Services are currently drawing up a response to the recommendations which we are expecting shortly. |
| Bedford Road School                   | Moderate      | 0               | 7      | 1   | Draft report has been issued to the client for consideration.  |
| Linaker Primary School                | Moderate      | 0               | 5      | 3   | The draft report has been issued. We are continuing to engage with the new Headteacher (September 2022) to request a response to the recommendations.  |
| <b>On-going work</b>                  |               |                 |        |     |  |
| Tree Management (External Review)     |               |                 |        |     | Following up with Management to ensure that recommendations from the review will be addressed. Historically there has been a fragmented approach to tree management which the review has identified and                  |

| Audit Engagement  | Audit Opinion | Recommendations |        |     | Progress since last update  |
|---|---------------|-----------------|--------|-----|---|
|   |               | High            | Medium | Low |   |
|   |               |                 |        |     | tried to address. As a result, there is a need to draw up a Council wide approach. The Risk and Audit Team are seeking to facilitate with Green Sefton, the Council's in house tree management service, a corporate tree management approach that can be presented to SLB/ELT for approval. |
| ASC - Budget Management                                       |               |                 |        |     | Initial meetings arranged with clients.   |
| Highways and Public Investment                                |               |                 |        |     | Initial meetings arranged with clients  |
| Children's Services Demand Management                         |               |                 |        |     | Initial planning work was undertaken. The Ofsted Inspection covered aspects of demand management. Audit plan to review progress against the Improvement Plan later in the year.   |
| Communities   |               |                 |        |     | Review into the purchase of goods and services as well as petty cash management/ usage.   |
| Follow Up of Implementation of Internal Audit Recommendations |               |                 |        |     | Activity has started to confirm with clients that audit recommendations have been implemented. The Committee is due to receive an annual report on the follow up of recommendations in December 2022  |
| PSIAS   |               |                 |        |     | Self-assessment undertaken and progress made in improving procedures.   |
| Risk Management   |               |                 |        |     | Fieldwork is in progress.   |
| St Elizabeth's Primary School                                 |               |                 |        |     | Fieldwork is in progress.   |
| St John's, Crossens Primary School                            |               |                 |        |     | Fieldwork has commenced and is in progress.   |



| Audit Engagement  | Audit Opinion | Recommendations |        |     | Progress since last update  |
|---|---------------|-----------------|--------|-----|---|
|   |               | High            | Medium | Low |   |
| <b>Grants certified</b>   |               |                 |        |     |   |
| Troubled Families Grants  |               |                 |        |     | Since the last update, a third quarterly grant claim has been certified totalling £107k |
| Contain Outbreak Management Fund                                    |               |                 |        |     | £12.7 million certified   |
| Test and trace  |               |                 |        |     | £2.274 million certified  |
| Marine Lake Event Centre Q1/Q2 22/23                                |               |                 |        |     | £1.64 million certified   |
| Sefton Town Centres Claim 2022/23 Q1                                |               |                 |        |     | £144k certified   |
| Sefton Town Centres Claim 2022/23 Q2                                |               |                 |        |     | £144k certified   |
| Green Homes Local Authority Delivery Phase 2                        |               |                 |        |     | £2.525 million certified  |
| CLAC 22/23 Q1   |               |                 |        |     | £388k certified   |
| CLAC 22/23 Q2   |               |                 |        |     | £774k certified   |
| TT Cables 22/23 Q2  |               |                 |        |     | £28k Certified  |
| Bootle Area Action Plan Q2 22/23                                    |               |                 |        |     | £Nil certified  |
| Lord Street Vacant Upper Floor                                      |               |                 |        |     | £Nil certified  |
| Acquisition of land and property Bootle Bootle Town Centre 22/23 Q2 |               |                 |        |     | £96k certified  |

| Audit Engagement   | Audit Opinion | Recommendations |        |     | Progress since last update |
|--|---------------|-----------------|--------|-----|----------------------------|
|  |               | High            | Medium | Low |                            |
| Southport Eastern Access Corridor Q2 22/23                   |               |                 |        |     | £34k certified             |
| Maritime Corridor Q2 22/23                                   |               |                 |        |     | £21k certified             |
| Acquisition of land and property Bootle Town Centre 22/23 Q1 |               |                 |        |     | £23k certified             |

### 3.2 High Priority Recommendations

A summary of the high priority recommendations made on draft reports issued since the last Committee meeting is provided below.

#### Direct Payments

- The Children's Services and Safeguarding Overview and Scrutiny Committee Terms of Reference needs to be revised to refer to Direct Payments (DP).
- That Children's Social Care (CSC) prepare and approve DP Guidance Notes and a DP Fact Sheet and post these on the CSC website. A DP page on the CSC website should also be created.
- The Team Manager Family Support Services engage and liaise with the Senior Self-Directed Support Officer on training on the systems for CSC Social Workers and other relevant staff.
- The report on an increase in CSC DP rates is considered and approved by Cabinet.
- That senior management ensure that the necessary and appropriate Management Information is made available and contact IT Performance Intelligence to explore if the systems can be utilised to facilitate this.
- The intended monitoring of CSC DP packages is put in place.
- Any staff completing this work should be employed by Sefton Carers Centre (SCC)
- Once approved by Cabinet the interim contract should be signed by appropriately authorised individuals on behalf of the Council in line with the Council's CPR and Schemes of Delegation for ASC and CSC. In addition, as the contract exceeds £100k it will need to be sealed with the Council's Seal and shall be executed by the Contractor as a Deed in line with Section 1.1.10 of the Council's Contract Procedural Rules.

- The reports are reviewed to determine if improvements could be made, metrics relating to the three-monthly reviews are included and existing KPIs should be reviewed discussed and finalised and included in the interim contract.
- The suggested wording for Internal Audit access is included in the interim contract with SCC.
- Details of what is to be provided for each element and what services are received together with the charges for each is clearly clarified in the interim contract.

#### Business Rates

- Management will ensure that timely action is taken to recover debts in accordance the documented procedures. To support this management should routinely review a sample of debts to ensure that the required recovery actions are taking place and provide regular updates to relevant team meetings/ Committees on the overall debt position so that progress made to recover debt can be monitored and issues escalated where needed.

### 3.3 Other Added Value Work Completed

To assist the Committee in its understanding of the broad range of assistance and value that the Audit team has provided across the Council we have included some examples.

- Provided advice and guidance to Democratic Services on the Audit Committee effectiveness and the Terms of Reference
- One investigation involving the payment to staff on duty rotas.
- One investigation involving the potential misuse of Council assets. The review has identified control design and operation weaknesses which once the work has been completed will be shared with Members

### 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  |
|---|-----------------|-------------------------------|---|
| <b>Percentage of the Internal Audit Plan completed</b>  | <b>67%</b>      | <b>46%</b>                    | <b>21%</b>  |
| 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 | See graph below | See graph below and narrative | Resources have not been in post as originally planned. Performance based on |

| Description and Purpose  | Target      | Actual      | Variance and Explanation                                      |
|--|-------------|-------------|---|
| assurance is being provided across the Council's systems.  |             |             | actual resources in post slightly ahead see description below |
| <p><b>Percentage of Client Survey responses indicating a "very good" or "good" opinion</b></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> | <b>100%</b> | <b>100%</b> | <b>No variance</b>  |
| <p><b>Percentage of recommendations made in the period which have been agreed to by management</b></p> <p>This measures the extent to which managers feel that the recommendations made are appropriate and valuable in strengthening the control environment.</p>     | <b>100%</b> | <b>100%</b> | <b>No variance</b>  |

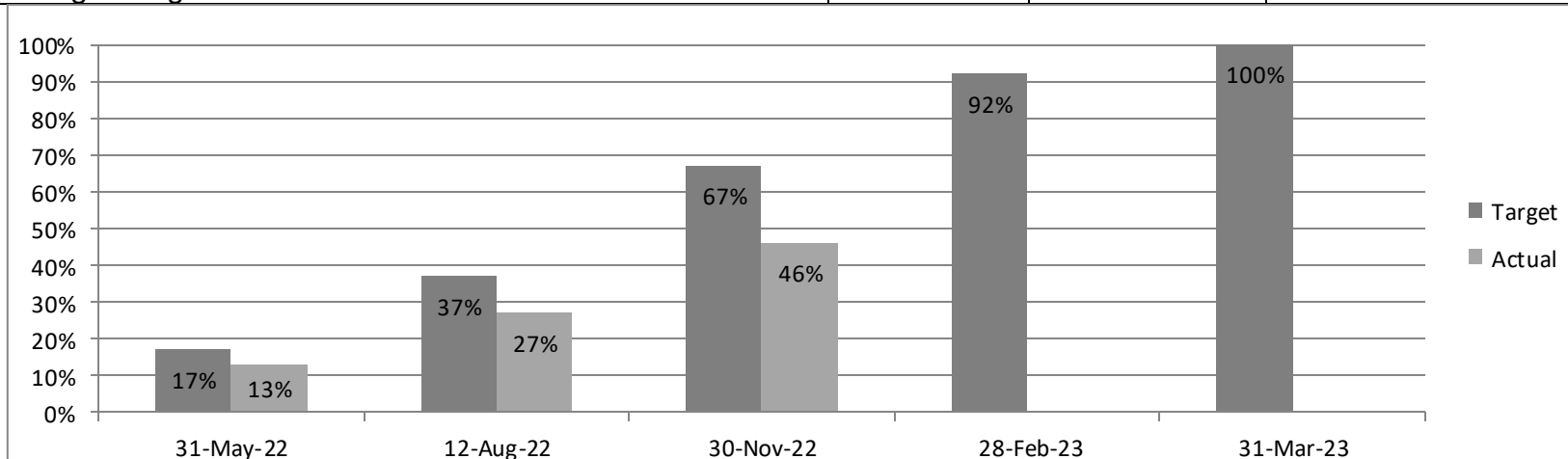


Figure 1: Percentage of the Internal Audit Plan 2022/23 Completed (profiled to coincide with the Audit and Governance Committee reporting dates)

In calculating the size and capacity of Internal Audit team for the 2022/23 Audit Plan, assumptions were made in February 2022 based on discussions with Finance colleagues over the proposed resources to deliver the plan which were included in the Internal Audit Plan presented to Members in March 2022. Conservative assumptions were used on both the onboarding of new staff from recruitment and the transfer of staff from Finance which are detailed below.

To provide additional capacity a third Principal Auditor on a fixed term contract had agreed to move from part-time to full-time from 1 April 2022 and agreed to an extension to his contract until 30 September 2022 when he left the team.

At the time in February 2022 two vacant Principal Auditor posts were advertised for recruitment and we assumed for planning purposes that the two Principal Auditors would have been recruited by June 2022 and in post. Only one of the two vacant posts have we been able to fill with a suitable experienced and qualified candidate however they were unable to start until 1 August 2022. We have subsequently filled the outstanding vacancy with a temporary member of staff, from 1 October 2022 until 31 March 2023. There is still a tight recruitment market for Internal Audit staff with very few suitably experienced and qualified candidates willing to apply for roles.

In addition, we expected to receive a full time CIPFA trainee from June 2022 to help deliver the Plan, as part of the Council's CIPFA Graduate Development Programme which involves providing experience across a number of areas within Finance service. Unfortunately, this expected rotation was delayed from June 2022 until the end of August 2022. In addition, the trainee continued in their previous placement for one day per week during September to provide support. The staff member, as they are training for their CIPFA qualification, is studying between one and two days per week from September to December 2022 however there is no CIPFA training between December 2022 and March 2023. There is a further restraint in that the staff member still had a significant amount of annual leave remaining when they moved to the Audit Team and therefore this needs to be taken in the remaining five months of the current financial year, reducing capacity.

It was also agreed in February 2022 that a CIPFA Graduate Trainees would transfer to the Audit Team once qualified - this was expected to be into a temporary two-year fixed term Principal Auditor with effect from October 2022. Unfortunately, the number of trainees to qualify in September wasn't as expected so the transfer couldn't take place – it is expected that this will now take place before the end of the financial year. The revised Audit Plan has been based on the proposed staff member not being in post for the remainder of the 2022/23 Financial Year.

The Trainee ICT Auditor who originally was a full-time member of staff at the outset of the year has changed to part time hours with effect from 1<sup>st</sup> October 2022.

The full time Internal Audit Manager has been absent from the office on unplanned leave since 5 September 2022 who had a role in completing some of the audit plan mainly focused on the grants.

It should be noted that the resources planned to be included in the audit team to deliver the audit plan, phased as discussed in the report above, was 6.2 Full Time Equivalent (FTE), At the time of writing the report, which is a snapshot of the position, there is currently 4.5FTE which is 72% of the planned complement and excludes the other work the Audit Manager would usually undertake including reviewing of reports, 1 to 1s etc.

There will be an obvious reduction in the scope of assurance that can be provided to Members however with a revised risk-based audit plan based on the resources that are here now we believe we can provide sufficient assurance to provide an annual opinion.

The position on the planned audit capacity for the team at the outset of the year was 1180 days and with the above changes has been reduced to 762 (65%) days. The current performance of 48% of the original audit plan at the 30 November 2022, where 67% is the target at this point of the financial year, is in alignment to the reduction of resources and in reality, slightly ahead of where we should be if we had started with the reduced resources. Therefore, whilst disappointing that performance is below planned at the outset the changes are outside of the Audit Team’s control.

The team are performing really well when it is recognised that in the past four months the team has consisted of three new staff members of which one is a temporary staff member, and two staff members are essentially trainee staff members. During the absence of the Audit Manager the Principal Auditors including the temporary member of staff have provided support to the new members of the team and have been flexible in picking up work across the Team which is a credit to themselves, the Team, and the organisation. The quality of the reviews and work undertaken has been good despite the resulting pressures from being short staffed.

Since the 1 April 2022 we have had five staff members absences totalling 115 days with one on-going absence taking up the significant majority of the absence performance. Whilst the rest of the absences are slightly higher than originally planned, they reflect the easing of Covid-19 restrictions and are managed in accordance with the Council’s Absence Management Procedures.

A revised audit plan has been developed for the remainder of the financial year and the following table outlines the revised audit plan. The table details the original plan with shading to indicate if the process is to be completed in the remainder of this year (blank), is on-going (yellow), has been completed (green), is being completed by the Chief Internal Auditor or external body (blue), contingency (orange) and will be deferred to 2023/24 (grey).

| Service Area | Audit Title | Revised Plan | Comments |
|--------------|-------------|--------------|----------|
|--------------|-------------|--------------|----------|

| Service Area           | Audit Title                                      | Revised Plan | Comments   |
|------------------------|--|--------------|--|
| Adult Social Care      | <b>ASC Debt Management</b>                       | 20           | Revisit process and sampling following 2019 audit  |
| Adult Social Care      | <b>ASC - Budget Management</b>                   | 20           | Corporate Risk Register - ongoing audit  |
| Adult Social Care      | <b>Market Sustainability</b>                     | 20           | Corporate Risk Register  |
| Adult Social Care      | <b>ASC Workforce (recruitment and retention)</b> | 20           | Corporate Risk Register  |
| Adult Social Care      | <b>Sefton New Directions</b>                     | 0            | work undertaken by CIA with ASC to determine and design assurance for Audit and Governance Committee. SGI in AGS |
| Adult Social Care      | <b>Direct Payments</b>                           | 20           | Annual Audit Programme   |
| Cross Cutting          | <b>AGS 2021/22</b>                               | 25           | Legal Requirement  |
| Cross Cutting          | <b>AGS 2022/23</b>                               | 15           | Legal Requirement  |
| Cross Cutting          | <b>Climate Emergency</b>                         | 15           | Corporate Risk Register  |
| Cross Cutting          | <b>Performance Management</b>                    | 20           | Corporate Risk Register  |
| Cross Cutting          | <b>Ethics</b>                                    | 0            | Defer until 2023/24  |
| Cross Cutting          | <b>Contingency</b>                               | 15           | Allocated to Planned Audits  |
| Education              | <b>Schools</b>                                   | 60           | Corporate Risk Register/Legal Requirement  |
| Communities            | <b>Aiming High</b>                               | 20           | Corporate Risk Register  |
| Children's Social Care | <b>Demand Management</b>                         | 20           | Corporate Risk Register  |

| Service Area           | Audit Title   | Revised Plan | Comments   |
|------------------------|---|--------------|--|
| Education              | <b>Schools Licensed Budget Debt Monitoring</b>            | 15           | Corporate Risk Register                                    |
| Children's Social Care | <b>CS Inspections</b>                                     | 0            | Defer until 2023/24  |
| Children's Social Care | <b>Placements and Packages</b>                            | 20           | Corporate Risk Register                                    |
| Children's Social Care | <b>Troubled Families Grants</b>                           | 10           | Legal Requirement - grant assurance                        |
| ICT                    | <b>Cyber Security - LGA review</b>                        | 0            | Corporate Risk Register and no impact on audit days        |
| External Client        | <b>Sandway Homes - Financial Sustainability included.</b> | 10           | Key Risk Area - External Body                              |
| External Client        | <b>SHOL</b>   | 5            | Governance review  |
| Strategic Support      | <b>Data Protection – incl. Data Breaches</b>              | 20           | Corporate Risk Register                                    |
| Strategic Support      | <b>Historic Record Management</b>                         | 0            | Defer until 2023/24  |
| Risk and Resilience    | <b>Business continuity and organisational resilience</b>  | 0            | Corporate Risk Register. Lower risk so defer until 2023/24 |
| Revenues and Benefits  | <b>Energy price cap payments</b>                          | 15           | Corporate Risk Register                                    |
| Finance                | <b>LCR Grants</b>   | 50           | Annual Audit Programme.                                    |
| Revenues and Benefits  | <b>Business Rates</b>                                     | 16           | Annual Audit Programme - Core System                       |
| Payroll                | <b>Payroll</b>  | 15           | Annual Audit Programme - Core System                       |
| Revenues and Benefits  | <b>Housing and Council Tax Benefits</b>                   | 15           | Annual Audit Programme - Core System                       |



| <b>Service Area</b>            | <b>Audit Title</b>                                      | <b>Revised Plan</b> | <b>Comments</b>                                 |
|--------------------------------|---|---------------------|---|
| Personnel                      | <b>Transactional Human Resources</b>                    | 0                   | Defer until 2023/24                             |
| Risk and Resilience            | <b>Risk Management</b>                                  | 20                  | Corporate Risk Register                         |
| Strategic Support              | <b>Procurement - Waivers</b>                            | 20                  | Corporate Risk Register                         |
| Strategic Support              | <b>Freedom of Information</b>                           | 0                   | Defer until 2023/24                             |
| Finance                        | <b>Debt Management</b>                                  | 15                  | Annual Audit Programme - Core System            |
| Internal Audit                 | <b>PSIAS</b>  | 20                  | Legal Requirement                               |
| Risk and Resilience            | <b>Data Analytics Implementation</b>                    | 0                   | Defer until 2023/24                             |
| ICT                            | <b>ICT Patching - LGA</b>                               | 0                   | No impact on Audit Days                         |
| Property and Building Services | <b>Property Disposals (F4C follow-up)</b>               | 15                  | Follow up to previous Audit                     |
| External Client                | <b>Mayor's Charity Fund</b>                             | 0                   | not required this financial year                |
| Cross Cutting                  | <b>Follow-up Recommendations</b>                        | 25                  | Annual Report to Audit and Governance Committee |
| Public Health                  | <b>Outbreak Management Grant Money</b>                  | 5                   | Corporate Risk Register                         |
| Public Health                  | <b>Public Health Grant</b>                              | 20                  | Annual Audit Programme                          |
| Public Health                  | <b>Covid Grants Assurance - Review of Grant Funding</b> | 30                  | Corporate Risk Register                         |
| Operational In-house           | <b>Fleet Maintenance</b>                                | 10                  | Annual Audit Programme                          |

| Service Area   | Audit Title   | Revised Plan | Comments  |
|--|---|--------------|---|
| Operational In-house                                 | <b>Operator's Licence</b>   | 5            | Annual Audit Programme  |
| Operational In-house                                 | <b>Cleansing Vehicle - Keys</b>   | 5            | Annual Audit Programme  |
| Operational In-house                                 | <b>Golf Income</b>  | 10           | Annual Audit Programme  |
| Operational In-house                                 | <b>Beach Income</b>   | 5            | Annual Audit Programme  |
| Public Health  | <b>Integrated Care</b>  | 0            | Corporate Risk Register - defer to 2023/24 as new arrangements from July 2022 |
| Highways and Public Protection                       | <b>Highway Maintenance Procurement</b>  | 20           | Corporate Risk Register   |
| Economic Growth and Housing Highways                 | <b>Sefton Economic Strategy and Economic Recovery Plans</b>   | 15           | Corporate Risk Register   |
| Economic Growth and Housing                          | <b>Growth Programme - delivery of GP due to inflation/ contract management/economic uncertainty</b> | 20           | Corporate Risk Register   |
| Economic Growth and Housing Highways                 | <b>Third Party Contract Management</b>  | 0            | Defer until 2023/24   |
| Highways and Public Protection/ Operational In-house | <b>Trees - Gallagher Bassett</b>  | 0            | No impact on Audit Days   |
| Highways and Public Protection                       | <b>Investment in the Highways Network</b>   | 15           | Corporate Risk Register   |
| Highways and Public Protection                       | <b>Transport Capital Block Funding</b>  | 4            | Annual Audit Programme  |

| Service Area                   | Audit Title  | Revised Plan | Comments               |
|--------------------------------|--|--------------|------------------------|
| Highways and Public Protection | <b>Local Highways Maintenance Incentive Element Fund</b> | 2            | Annual Audit Programme |
|                                | Total Revised Plan Days                                  | 762          |                        |

#### Colour Coding

|  |                                |
|--|--------------------------------|
|  | Completed                      |
|  | Contractor Work/ CIA           |
|  | Ongoing                        |
|  | Contingency                    |
|  | Planned to complete in 2022/23 |
|  | Deferred to 2023/24            |

An emerging concern last meeting which is contributing to the delay in completing the audits on time is the completion of the audit agreed action plan after the draft action plan has been issued. We are experiencing delays in the completion of the agreed action by management and in some cases the quality of the agreed action is insufficient to address the recommendation and the risk that has been identified. This also makes it difficult to follow up as where the proposed action is unspecific or measurable, we struggle to obtain evidence and in reality, and more importantly the risk identified in is also not being addressed. As a result, the Audit Team are involved in more conversations and meetings to resolve the issues than should be the case. We will bring forward an example at the December meeting to provide insight to Members.

We intended to bring forward for December Committee an agreed approach, with Management, response time for draft reports and clear expectations on what the proposed action should look like. We have outlined a draft process however due to the shortage of resources we have not been able to circulate this in time for the December meeting and will bring this to the March 2023 meeting. Instead of bringing forward from December 2022 providing granular detail on outstanding draft reports, their date of issue, current position etc. we will do this from March 2023.

An emerging issue this quarter is the Council's management of grants through Liverpool City Region (LCR) which historically the Internal Audit Team have provided assurance on. Following recent changes of staff involved in the

assurance process it has been identified that the following areas require development so that the grant management approach is consistent across the organisation.

- There is transparency regarding which grants the Council has received and when including timetable for assurance,
- The location of grant documentation including grant determination letter and subsequent correspondence increasing the grant value,
- The responsibilities of the various staff involved in managing the grants or providing assurance e.g., Finance, Audit, Economic Growth and Housing etc,
- Ensuring that there is suitable and accurate data to assess compliance with the grant conditions at first attempt.
- Providing sufficient time and notice to enable assurance to the LCR deadlines to take place.

The Internal Audit Team have offered to work with management on an agile basis to assist in developing the process further to address the issues above and are awaiting a formal response. If Internal Audit are unable to see progress by end of the current financial year the area will be included in a planned audit plan for 2023/24 and will provide formal assurance on the process as it currently operates.

### **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. With the absence of the Internal Audit Manager this is likely to be delayed until there are sufficient resources in post.

### **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.
- Developed
- Planned for our agile/hybrid return to Magdalen house.
- Evaluating the redesign of the audit report to include an improved executive summary and to shorten the main body of the report to improve readability for recipients.
- Completed the recruitment and induction of a temporary Principal Auditor who started in October 2022. This appointment is helping with the delivery of the Audit Plan.

- We have provided proposals on the introduction of the three lines of defence to management

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.
- Roll out a proposal to management to develop the three lines of defence model recommended by the Institute of Internal Auditors
- Continue with preparations for upcoming Public Sector Internal Audit External Assessment due in coming year.
- Re-advertise for the vacant Principal Auditors position from March 2023.

## 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 Corporate Health and Safety Team consists of two permanent and one fixed term 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. The temporary adviser left the Council in August 2022, and a recruitment campaign is currently active to fill the vacancy.

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.

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. Most committee meetings continue to be held virtually, using TEAMS, which has proved to be successful.

Council building and operational risk assessments are being updated, providing assurance to Council managers and staff. They include transmission of respiratory conditions, personal safety, and security arrangements.

The health and safety audit process has been redesigned, with a new programme of monitoring in place, including audits, inspections, safety tours and surveys. The Corporate Health and Safety team are attending sites.

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

Corporate minimum standards and managers tool kits 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:

- Risk Assessment,
- Well-being,
- Security and Safety of People,
- Buildings and Assets.

Work continues on:

- Construction Design and Management (CDM),
- Fire Risk Assessments, fire safety arrangements, fire wardens,
- Personal and corporate safety and security,
- Dangerous Substances and Explosive Atmosphere Regulations,
- First aid provision, first aiders (physical and mental health),
- Local emergency response.

Downloadable aids are being added to the intranet and other tools for reaching staff who may not be digitally connected are being developed with the Communications Team.

The Team continues to monitor the impacts of workstation arrangements (Display Screen Equipment Regulations 1992) with the increase of hybrid working. Inspections have highlighted areas with limited resources. Senior managers are reminded that staff must be issued with appropriate equipment. It is acknowledged that there are supply issues.

Managers are expressing the value in the Stress Management Standards and the stress risk assessment form, for assessing, addressing, and recording potential risks to their staff. They have also been used to signpost staff to support available within the Council.

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.

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.

The Corporate Health and Safety Team are supporting managers to confirm the requirements of a 'safe system of work' in criminal and civil law. Managers have expressed concerns on their inability to defend cases. This is often due to a lack of understanding of the term rather than poor systems.

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 Corporate 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, with the latest successful course running during October 2022.

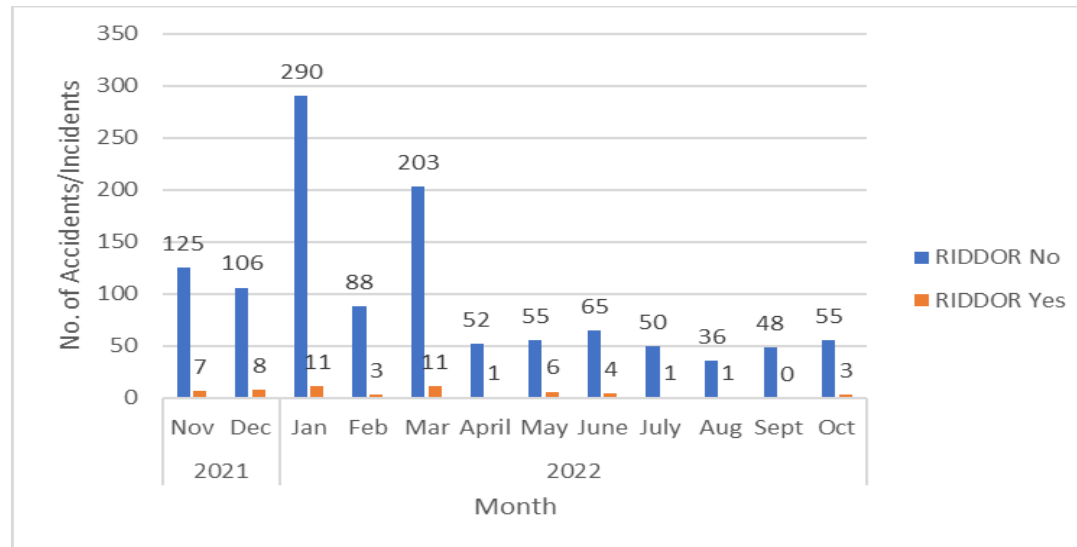
The Liverpool City Region H&S Managers Group continues to meet virtually, however other groups, including the Outdoor Education Adviser's Panel are increasing face to face meetings, which will affect the need for staff to travel outside the borough and will have cost implications.

## **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.



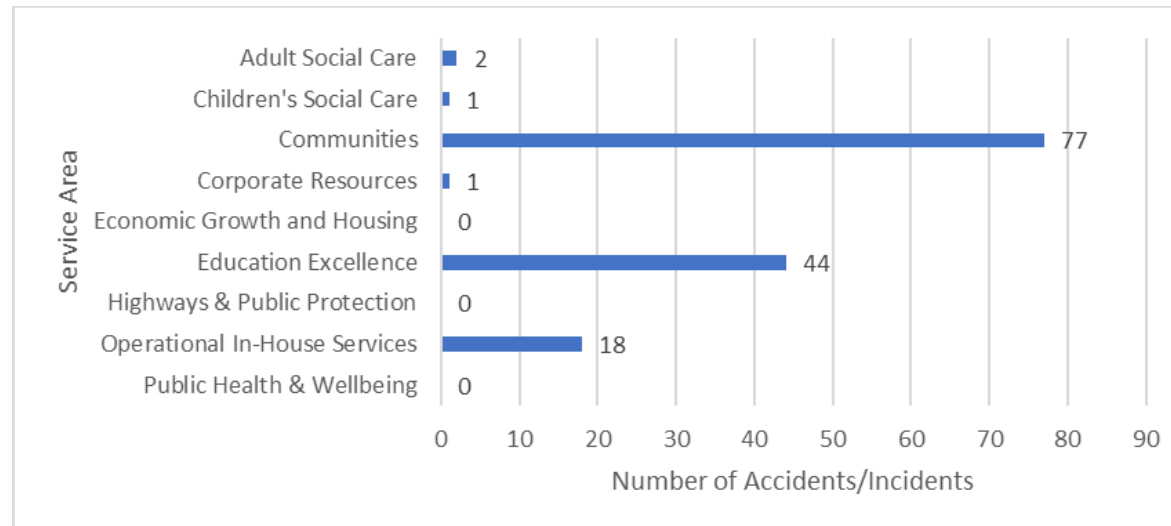
**Graph 1** below provides reportable Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and non-reportable accident and incident data for the Council from 1 November 2021 to 31 October 2022 over the past 12 months. Most of the incidents reported were COVID-19 related until the end of March 2022, when free testing and the requirement to report workplace transmission ceased.



*Graph 1: Accident and incident data between 1 November 2021 to 31 October 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 confirmed the need for the cautious approach as we approached the Spring and increased physical interactions. Accident and incident rates have been at a consistent level from April 2022.

**Graph 2** provides details on the accident and incident data compares accident and incident data between 1 August 2022 to 31 October 2022.



Graph 2: Accident and incident data across Council Service Areas between 1 August 2022 to 31 October 2022

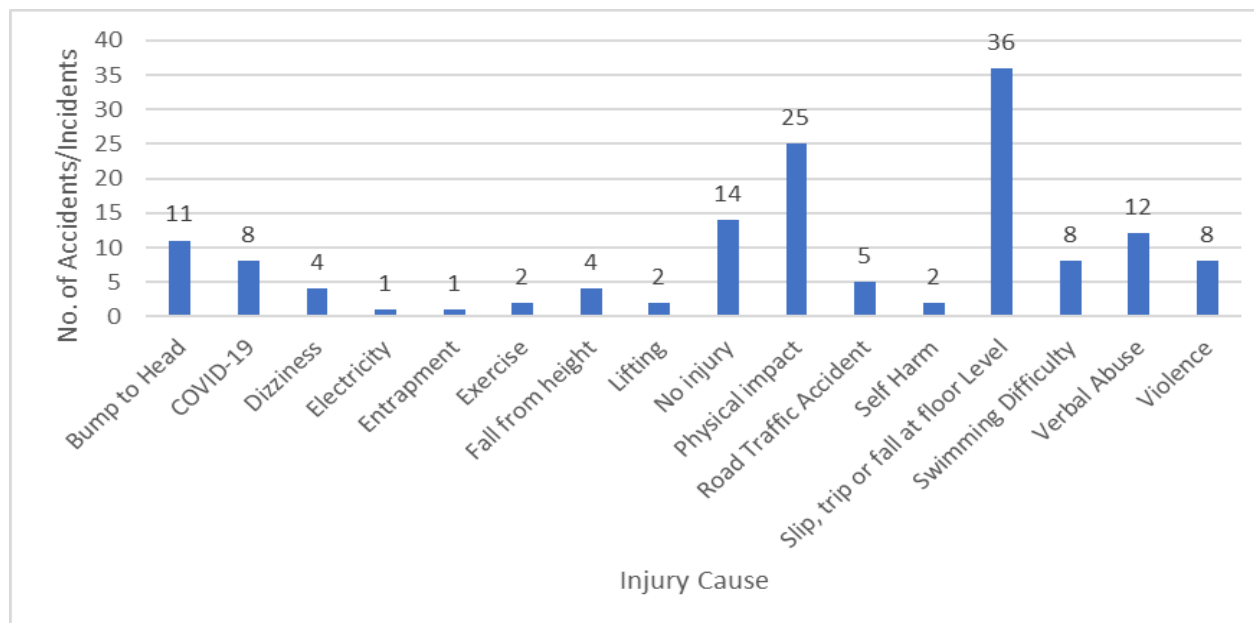
Education Excellence, Communities and Operational In-House Services report the most incidents, and this is consistent with previous years data. Data is influenced by the reporting of accident and incidents affecting the public, mostly, but not limited to contact sports. School children are included within the public data.

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,
  - o including property damage or fire,
  - o presence of legionella in water systems and
  - o 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 August 2022 to 31 October 2022.



*Graph 3: Accident and incident data by Cause between 1st August 2022 to 31 October 2022*

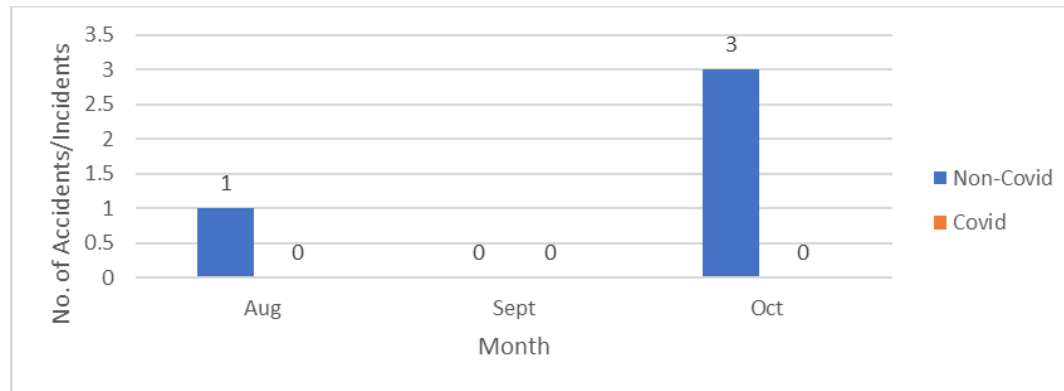
Injuries from slips, trips and contact sports and games have become the most common cause of cause or accident, incident, or ill health since early 2020.

It is difficult to present raw COVID case data and workplace transmission due to changes in testing and national reporting requirements. These internal reports have been raised by managers to assist with the risk assessment review process.

Through discussions with staff and at Health and Safety Committees, incidents of threatening and abusive behaviour and poor mental health, including stress are occurring, 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 1st August 2022 to 31 October 2022.



*Graph 4: RIDDOR Reports raised between 1st August 2022 to 31 October 2022*

There were no cases of reportable COVID-19 cases due to the changes in the Governments reporting requirements. Reportable cases were fractures sustained from slips, trips, and falls (on ground level) and work at height.

There is no longer a requirement to report COVID-19 workplace transmission (i.e., externally) 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. For this reason, service areas are continuing to be asked to consider risks to staff within their risk assessments and emergency and business continuity plans.

### 4.3 Developments

There will be a continued focus during the next quarter of delivering the Health and Safety Improvement Plan with planned and reactive 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 Corporate 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, 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 monitoring regime across the Council, to schools where the Council retains responsibility for the health and safety as the employer and those schools with a Service Level Agreement with the Councils Corporate Health and Safety Team. This will provide assurance that health and safety management systems 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:

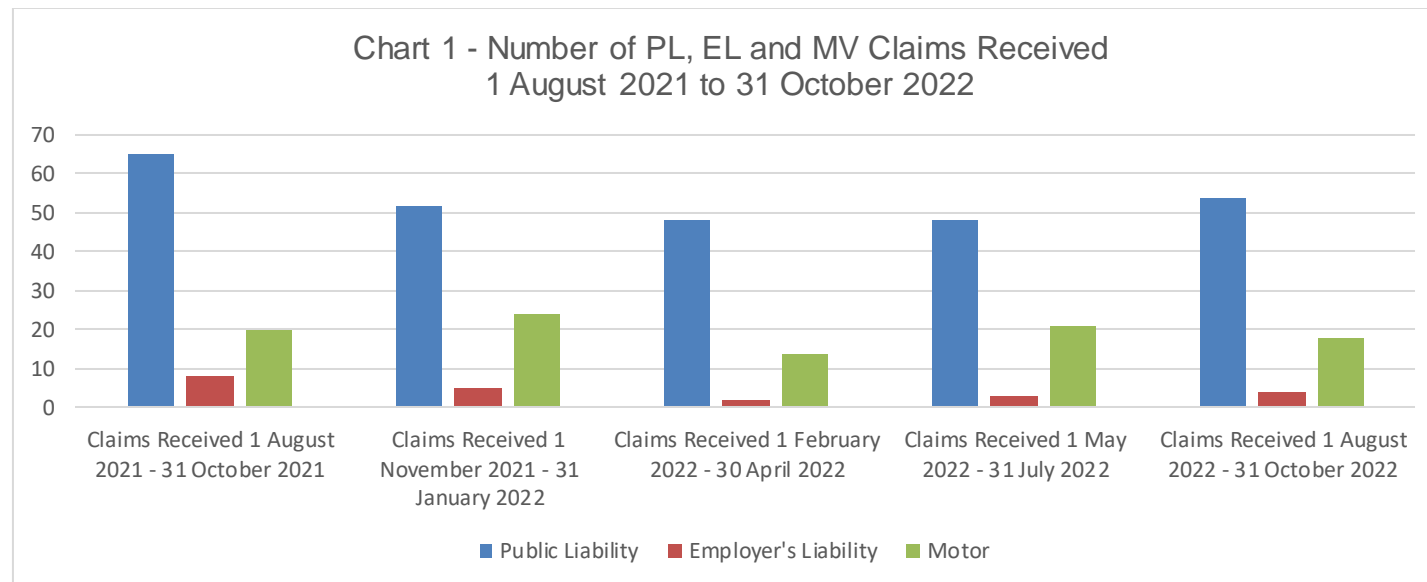
- As detailed in the previous update, the renewal of the Council Insurance Programme, with effect from 29 September 2022, represents the last year of a Long-Term Agreement with Insurers. Terms and rates for the outstanding policies were subsequently received from the Council's Brokers and, despite a challenging and hardening market, in the majority they remained in line with previous terms and rates, and as a result premiums remained broadly flat. As Contract Procedure Rules do not allow a further extension of the current contract, the Team is now liaising with Brokers and Procurement colleagues to develop the approach to carry out a tender in the first quarter of 2023/24 to ensure continuity of insurance cover in a timely fashion. A formal request to Cabinet to undertake the procurement will be provided in Q4 2022/23.
- To continue to ensure that the Council has assurance that it has the appropriate level of material damage cover in place for each Council building, the Team has recently commissioned a tender opportunity on The Chest with the assistance of Procurement colleagues. The tender will involve require valuers, using a hybrid methodology agreed with insurers, to assign the Council Properties to similar property types and carry out sample valuations which can be used to extrapolate the values to similar properties with the same building type. An update will be provided in due course.
- The Council continues to defend cases robustly to protect the public purse and, where necessary, will enlist the assistance of Weightmans to provide litigation support for appropriate claims. This has resulted in a claim with a reserve of £97.5k being discontinued by the third party and a further claim, as a result of the medical evidence provided by the claimant, being dismissed by the Judge at trial £33.5k reserve.
- The Team, where necessary, continues to work with service areas to improve the management of insurable risk especially in areas where there are high numbers of claims or areas of concern. The Council generally has high defensibility rates, and such risk management activity will assist in maintaining and potentially improving the position further. Work is continuing with colleagues from Tourism providing guidance and support with the management of Southport Pier, in particular relating to the decking and the outstanding Risk Improvement Action.
- The Team is also working with Green Sefton colleagues to ensure that there is a suitable response to the Tree Management report undertaken by Gallaghers Basset which we will share once the response has been finalized.

## 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 August 2021 to 31 October 2022.
- Value of the reserves for PL, EL and MV claims received by Sefton Council for the period 1 August 2021 to 31 October 2022.
- The average reserve value for PL, EL and MV claims received by Sefton Council for the period 1 August 2021 to 31 October 2022.

**Chart 1 below outlines the number of claims for PL, EL and MV received for the period 1 August 2021 to 31 October 2022.**



5.2.1 PL claim numbers have increased by 13%, however remain lower than at the start of the overall period. Of the 54 claims received, the service areas with the majority of claims are:

- Highways with 63%, of which 74% represents personal injury and 26% property damage.

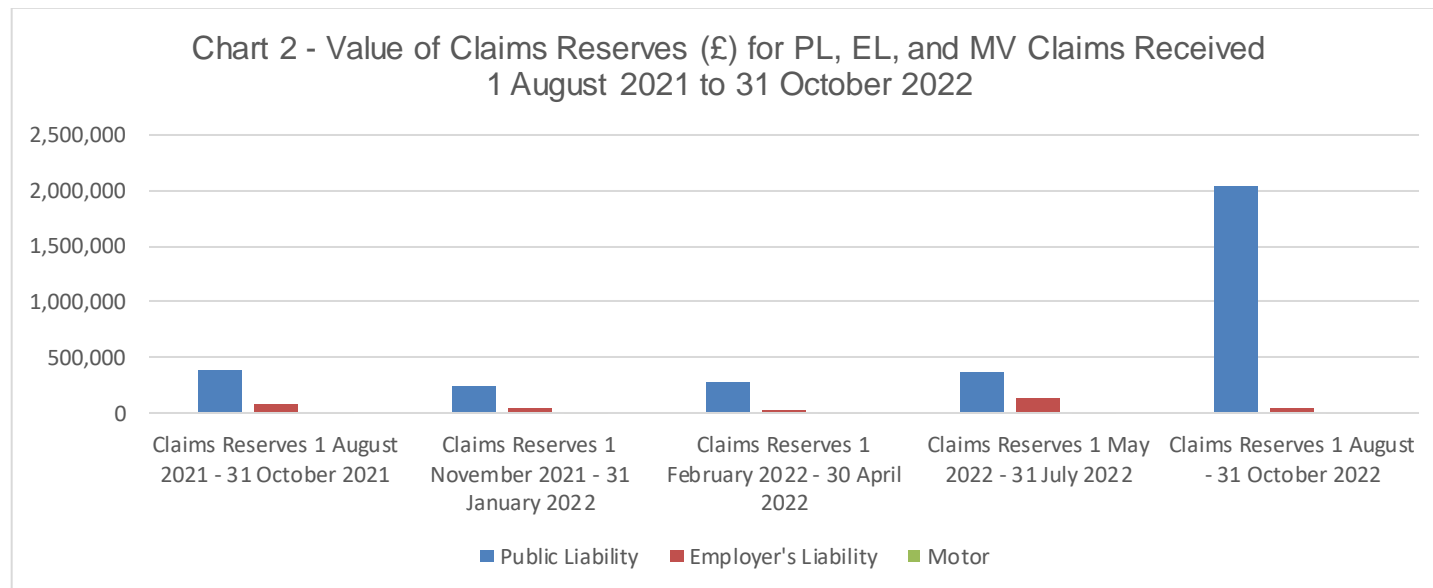
- Green Sefton (Tree & Woodland) with 7%, of which 100% relates to property damage.
- The remaining claims are spread evenly throughout the rest of the service areas.

5.2.2 Although the number of EL claims received remains low, there has been a 33% increase since the last quarter however this represents just one claim. The number of claims received is 50% lower than at the start of the overall period and remains below expectations for the size of the Council workforce.

5.2.3 The number of MV claims received has decreased by 14% and represents the second lowest number of the overall reporting period. Overall, 75% of the claims involve own damage to the Council Fleet and the remaining 25% of claims represent damage to third party vehicles with no claims for personal injury having been received. As would be expected, due to the size of the Fleet, the Waste and Cleansing service area represents the highest number of claims received at 72%, with the remaining 28% coming from Sefton Arc, Specialist Transport Unit and Community Equipment Stores.

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

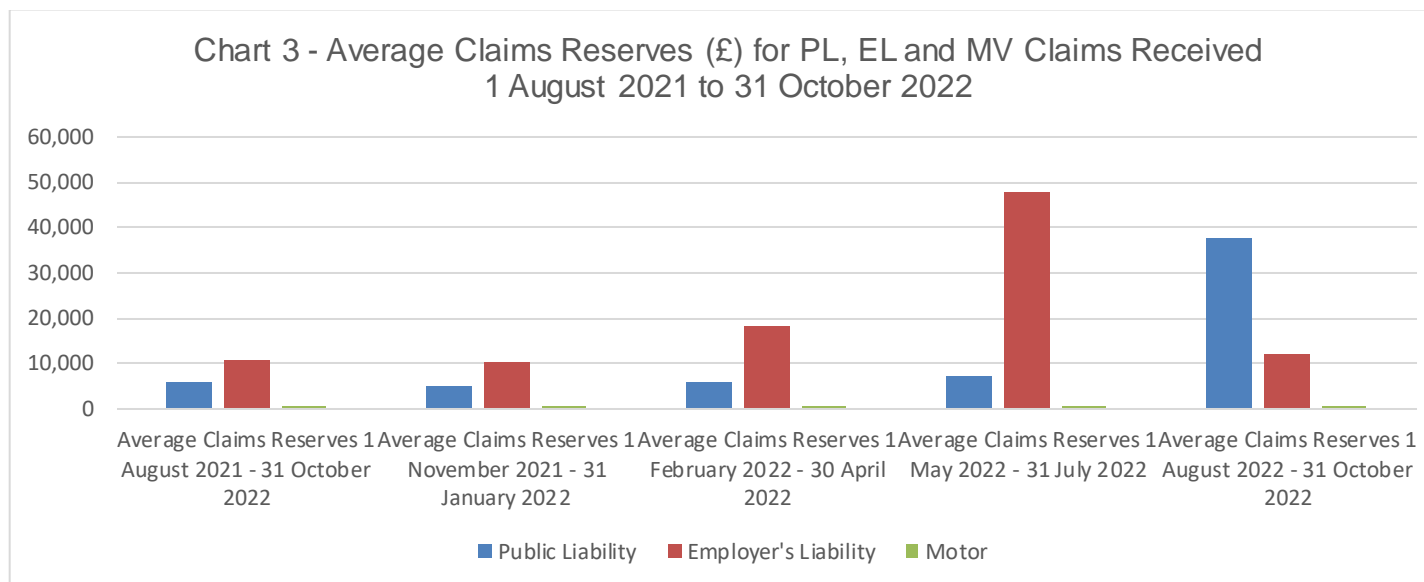
**Chart 2 below outlines the value of the reserves for PL, EL and MV claims received for the period 1 Aug 21 to 31 Oct 22.**





- 5.2.5 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. Unfortunately, despite the slight increase in claims numbers, there has been a significant increase of 452% in claims reserves since the last quarter. Whilst reserves are on the whole on the majority of PL claims in line with those of the last quarter, a class action claim, representing 33 individuals, involving historical claims of abuse has been received with a reserve being allocated by Solicitors acting for the Council of £1.65m. The matter is in the early stages of investigation and the reserve may be amended in due course.
- 5.2.7 Despite a 33% increase in EL claim numbers since the last period, reserves have decreased by 67%, representing the second lowest of the overall reporting period. This is due to the nature of injuries claimed by employees. Half of the claims submitted (two) have been received from school employees
- 5.2.8 In line with the decrease in numbers of claims, MV reserves have decreased by 79%. Whilst some reserves are yet to be determined, this period is the lowest of the overall reporting period. As detailed above, all claims refer to vehicle damage and not personal injury.

**Chart 3 below outlines the average value of the reserves for PL, EL and MV claims for the period 1 Aug 21 to 31 Oct 22.**



5.2.9 Reflecting the class action claim detailed above, the average reserve for PL claims shows an increase of 411% since the last period and ends the overall reporting period at an increase of 534%. Despite more claims being received, the EL average claim reserve is 75% lower than the last quarter, however 13% higher than the first period. This is due to the nature and simplicity of injuries reported to Insurers. The average MV claims reserve has decreased by 74% in the last quarter and represents the lowest of the overall reporting period.

5.2.10 Trends in claims performance will continue to be monitored.

### 5.3 **Developments**

- The Team's major focus moving forward will be on preparing for the upcoming insurance tender for the Council's Insurance Programme to be in place for 29 September 2023. Early discussions are underway with both Brokers and Procurement colleagues to determine how best to approach the exercise and which framework will provide the Council with the best opportunities to reach a full potential of Insurers whilst gaining value for money. We are currently planning that the tender will go live in the second quarter of 2023 with results known in the third quarter. Progress will be provided in future updates.
- As part of the insurance tender process, there will be consultation with the Council's Maintained Schools in early 2023 to gather views on their participation in the tender. A similar exercise was completed in Q4 2020/2021, and Schools, although advised of the Government's Risk Protection Arrangement (RPA) scheme which was introduced in April 2020 as an alternative, agreed to remain with the Council for insurance cover, unless they converted to academy status mid-year. The Council's insurers indicated when the RPA was introduced that there would be no liability premium benefit to the Council if the Council's Schools moved to the RPA. We are seeking to promote the Council's insurance services with the aim of retaining as many of the schools for the next LTA and the outcome of the consultation will be provided to Members in a future update.
- Following receipt of submissions for the Building Valuation Tender exercise, the Team will undertake evaluations of the bids towards the end of December 2022. The contract will then be awarded to run until 30 April 2023, with the results being conveyed in the June 2023 update to Committee. The revised sum insureds are intended to be provided to the participants in the Insurance Tender and be included in the renewal for the 29 September 2022.
- 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.

- In consultation with Health and Safety colleagues, the Team will 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. Plans are in place for the Motor Insurers, Protector, to assist with a Fleet Risk Management Review.
- The Team is awaiting further contact from the Public Liability insurers before considering taking advantage of a Mini Health Check which will provide an insight of performance across areas of Highways, Children's Service and Employer's Liability and benchmark where the Council is currently positioned in managing these key risks. There is some uncertainty whether this is considered to be mandatory or voluntary and whether it is a paid for service.
- 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

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### 6.1 Work Completed

The Risk and Resilience Team (Team) continue to ensure progressive development across the key areas of Business Continuity, Emergency Planning and Risk Management and an improvement plan has been produced.

The Emergency Planning function of the Team is delivered at both organisational and multi-agency levels and the Team remain fully engaged with the planning, preparedness, response, and recovery activities of both the Council and partner agencies of the Merseyside Resilience Forum (MRF). The MRF has resumed pre-pandemic working groups to deliver on the business plan for the coming year and the team maintain strong working relationships and participation in various risk specific task and finish subgroups to plan and deliver multi-agency programmes of work.

The Team regularly promotes and share invitations to MRF training opportunities to relevant Council colleagues and Emergency Duty Co-ordinators (EDCs) to enhance their knowledge and experience. During October 22, one Emergency Duty Co-ordinator attended the full four-day Multi Agency Gold Incident Command (MAGIC) training and another previously MAGIC trained officer will attend a MAGIC Refresher course in November 22. For those colleagues who attend the training, complete the full course, and then attend refresher days every three to four years the training is considered to accredited. Four EDC officers are also booked onto a two-day Tactical Emergency Management training session in early December 2022.

Since late 2018, the Risk and Resilience team has been involved in the co-ordination of arrangements to deliver Operation London Bridge both at an organisational and multi-agency level across Merseyside. Operation London Bridge is the name given to the operation order for the sequence of events that would take place following the formal announcement of the death of the monarch.

Planning for this event has been subject to regular review and has been adapted to meet Covid-19 requirements and then re-designed to be flexible to change depending on prevailing circumstances at any given time.

On 8 September 2022, following news reports of the Queens deterioration in health, the Team joined an Executive Leadership Team (ELT) meeting at the request of the Chief Executive to brief them for situational awareness and to put

them and all nominated planning leads from the key service areas on standby, to activate the London Bridge plan as per the protocol agreed with the Office of the Lord Lieutenantcy.

- Upon the subsequent announcement of the death of HRH Queen Elizabeth II, the Sefton Council plan to mark the official ten-day period of mourning was initiated with the appropriate civil and ceremonial response in line with the Council's plans. These actions included:
- The pre-determined respectful changes to the home page of the council website to show a message of condolence from the Mayor with re-direction of links to background pages,
- Lowering of flags on council buildings, designation of Floral Tribute
- Operation of two Books of Condolence sites and
- Publishing of arrangements for the Mayoral proclamation ceremony for the accession of the new King.

The Team also represented the Council with the Civic and Mayoral Officer at the Merseyside Resilience Forum (MRF) multi-agency Initial Assessment Meeting, organised to gain situational awareness across the Merseyside region for assurance that all the boroughs were activating plans in a consistent manner and to assess any issues of community risk.

Multi-agency Strategic and Tactical Co-ordination Groups were set up to meet twice weekly throughout the 10+ days mourning period and the team supported Executive Directors to attend the meetings and report into central government via on-line situational reports (sitreps).

At the end of the mourning period, the Team co-ordinated a virtual internal debrief for the council and then took relevant feedback to contribute and participate in a multi-agency debrief. Overall, the plans for Merseyside and the boroughs were executed well and Sefton Council has since received many letters and emails of thanks to the officers involved in the planning of this event.

There has been an increase in response activity for incidences of Avian Flu throughout the UK since the beginning of Autumn and season for migration of birds. The team have alerted the Animal Health team in the council's Environmental Health service to all notifications received from DEFRA and APHA and current national information and guidance has been signposted by Corporate Communications on our relevant website pages. The Risk and Resilience team is also linked into the MRF Animal Health working group monitoring this situation.

Current work projects for the Risk and Resilience Team are developing a Severe Weather Protocol around the council response capability and process following the receipt of National Severe Weather Warning Service alerts from the Met Office. This is to assist those officers new to EDC role to understand and navigate potential support from various council services.

The team have just compiled and circulated the new Emergency Duty rota for the next annual cycle and the Christmas and New Year Shutdown periods of duty are all covered.

It is also the time of year for the review of community risk assessments for the MRF Community Risk Register and the team have been involved in the development of some of the specific risks for review by the Local Authorities.

A review of each Service area's Business Continuity plan continues to be facilitated by the Team in consultation with the plan owners.

The Department of Business Energy and Industrial Strategy and Ofgem have highlighted a possible risk this winter of planned disconnections of electricity supply due to shortages of gas supply to power stations in specific circumstances. This is dependent on a number of variable factors but predicted for the coldest winter temperature days at peak demand times (4pm – 9pm) if demand far outstrips supply. We are currently co-ordinating the Council's response including working with Service areas on developing a specific Service Business Continuity Plan for the event. Each service area has been asked to consider the impacts of such a scenario on their business priority activities and develop plans to try and mitigate the risk to delivery of service. The Team will support the Assistant Directors to produce plans in advance of expected coldest winter periods Jan / Feb 2023.

The team are engaged with the MRF and SP Energy networks and have been provided with some watermarked documents of planning assumptions which we can use to inform this work.

In early September 2022 the Team conducted a six monthly "No Notice, Out of Hours" call out exercise to test contact details contained within Service Business Continuity plans. The results of this exercise will inform and improve content of the plans and will be reported back to the BC plan owner.

An external facilitator has been appointed to deliver a Business Continuity exercise for Assistant Directors and the Executive Leadership team. This will be delivered in January 2023 in Bootle Town Hall and the facilitator will produce a report with recommendations after the event.

The Team continues to meet with Internal Audit colleagues to consider improvements and developments to the Risk Management system within the Council.

The focus on risk management this quarter has been on working with specific service areas to improve the content of their Operational Risk Registers and ensuring appropriate escalation of risk to the Service Risk Register. This review is on-going, and each service area will have an in-depth study on a rotational basis.

Work has been on-going to produce a Risk Management Awareness e-learning package. The content of this is currently being reviewed by our Corporate Learning Centre and developed into the appropriate format to share with all officers and members. The package will be available on the Me-Learning platform by Christmas 2022.

The Corporate Risk Register has been reviewed and is due to be presented to the December Audit and Governance Committee. 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.

The Council's risk appetite framework has been drafted by an external facilitator is currently with management to consider. The plan is for the draft risk appetite statement to be provided to Cabinet for approval and the Corporate Risk Management Handbook to be amended to reflect the changes. An interim review of the Corporate Risk Handbook has taken place and was ratified at the last September 2022 Audit and Governance Committee. A further review will take place following the completion of the risk appetite work.

## **6.2 Developments**

- Major incident plans and processes will continue to be reviewed and updated as necessary or following learning from any incidents.
- 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.
- Ongoing review of the business continuity plans with particular focus on loss of power.
- Business Continuity table-top exercise planned for January 2023
- Further development of Risk Registers from all teams / services, including a qualitative exercise to ensure escalation of risks from Service Risk Registers to the Corporate Risk Register where appropriate.

## **7. Assurance and Counter Fraud: Performance Update**

### **7.1 Work Completed**

As highlighted in previous reports the limited resources for the Team are on secondment with the Revenues and Benefits Team until March 2023 and the one remaining staff member has been focused on providing support to the Health and Safety Team and the Risk and Resilience Team to assist in co-ordinating business continuity response in particular to the potential power outages. The support is required in particular to the Health and Safety Team due to the staffing issues following the School Advisor leaving in August 2022 and the difficulties in obtaining suitably qualified and experienced staff. Ensuring that there is sufficient capacity within Health and Safety Team to address business as usual, with the tight competent resources that are currently available is a key issue and takes priority over counter fraud work.

As a result, there has been limited counter fraud activity this quarter.

### **7.2 Developments**

The Assurance Manager who had 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. The proposed re-structure has been difficult to undertake due to both the uncertainty from the official recruitment freeze as well as the Council's funding position and the unplanned absences in the Audit Team. As a result, there will be limited progress on Counter Fraud until the resourcing issues are addressed both in this function and the Audit Team.



## 8. Looking Ahead

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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.
- Undertake limited testing of existing business continuity plans in January 2023 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.
- Delivering on the service improvement plans for the Risk and Audit Team.

## 9. Conclusions

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- 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 and unplanned absences. 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. A revised audit plan is essential to match planned work to current resources.
- 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.