

Risk and Audit Service: Performance

Audit and Governance Committee
06 September 2023

David Eden
Chief Internal Auditor
Risk and Audit Service
Corporate Resources
Magdalen House
30 Trinity Road
Bootle
L20 3NJ

Contents

1.	Executive Summary	Page 3
2.	Introduction	Pages 4 - 5
3.	Internal Audit Performance Update	Pages 6 - 18
4.	Health and Safety Performance Update	Pages 19 - 25
5.	Insurance Performance Update	Pages 26 - 34
6.	Risk and Resilience Performance Update	Pages 35 - 37
7.	Assurance and Counter Fraud	Pages 38
8.	Looking Ahead	Page 39
9.	Conclusions	Page 40

1. Executive Summary

1.1 This report summarises the performance and activity of the Risk and Audit Service for the period 1 July 2023 to 31 August 2023.

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.

1.4 This report summarises the main aspects of the performance of the Service for the period 1 March 2023 to 30 June 2023, covering the following areas:

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

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

3. Internal Audit: Performance Update

3.1 Completion of Audit Plan

Since the last update to the Committee, the team have progressed a 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			Current Audit Engagements		
		High	Medium	Low	Draft	Final	Progress since last update
Highways Maintenance Procurement 22/23	Minor	0	1	0	27-07-23	09-08-23	Draft and final reports issued
Data Protection – Data Breaches 22/23	Moderate	0	2	4	25-05-23	09-08-23	Final report issued
Annual Governance Statement 22/23	n/a	4 Significant Governance Issues			29-06-23		Draft AGS prepared and shared with SLT.
Corporate Governance Review 22/23	Moderate	3	3	3	29-06-23		Draft report issued (includes 4 SGIs reported in the AGS)
Data Protection breaches	Moderate	0	3	0	03-07-23		Draft report issued
Sandway Homes – Financial Sustainability 22/23 – Company	Moderate	0	4	1	28-06-23		Draft Report issued to company and initial responses received which are to be clarified with the client.
Sandway Homes – Financial Sustainability 22/23 - Council	Major	3	0	0	28-06-23		Draft report issued to Council including recommendations specifically relating to Council operations and management. These have been discussed and amendments are to be made to the report

							including amendments to the recommendations. A revised draft containing revised recommendations is to be re-issued.
Holy Rosary School	Moderate	0	4	1	12-07-23		Draft report issued
Newfield School 2022/23	Moderate	0	5	1	25-08-23		Q1 A&G states issued 12 June 2023.
St Robert Bellarmine School 2022/23	Moderate	0	4	0	25-08-23		Q1 A&G states issued 12 June 2023.
Adult Social Care Budget Management 2022/23	n/a					23-08-23	Consultancy review
Springwell Primary School 2022/23	Moderate	0	4	2	26-01-23	31-08-23	Final Report issued.
Marshside School 2022/23	Moderate	0	5	1	15-03-23	31-08-23	Final Report issued.
Woodlands Primary School 22/23	Moderate	0	5	0	23/08/23		Draft Report issued.
Tree Management (External Review)							Following up with Management to ensure that recommendations from the review will be addressed. Historically there has been a fragmented approach to tree management which the review has identified and tried to address. As a result, there is a need to draw up a Council wide approach. The Risk and Audit Team have produced a joint report with Green Sefton a corporate tree management report that can be presented to SLB/ELT for approval. This is currently with the Assistant Director of Operational In House Services for approval.
Investment in Highways 22/23							Draft report is to be reviewed by Audit Management.

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.
PSIAS					Self-assessment undertaken and progress made in improving procedures.
SHOL					Fieldwork completed and draft report prepared. Finalisation delayed due to changes in management.
Sefton New Directions 22/23					Fieldwork completed, and exit meeting held with SND management. Additional information received to be reviewed ahead of finalised draft report.
St John's, Crossens Primary School					Fieldwork is to be reviewed and gaps in information followed up with the school.
Leisure Centres					Initial meeting held with Head of Service to agree scope and timing of audit. Currently on hold at request of management.
Damp and Mould					Initial Audit Brief is prepared and fieldwork due to commence in Autumn.
Emergency Planning					Fieldwork has been completed by Gallagher Bassett
Social Value					Background planning work completed. As a new area, management suggested that beneficial to wait until more examples available to test.
Grants Management					The fieldwork is complete, and the draft report is being prepared.
Petty Cash					Audit brief has been issued and work programme developed.
Emergency Planning					External document review completed by Gallagher Bassett.
Pupil Place Planning					Fieldwork complete and draft report being prepared.
Consultancy / Management Support - Cleansing					Supported management at the early stages and have provided some suggested fresher training for customer facing staff who may receive complaints or allegations.

Consultancy / Management Support – Children’s Services					Supporting management in fact finding exercise regarding agency workers; code of conduct and training.
--	--	--	--	--	--

Grants Certified	Value Certified
Bootle Area Action Plan 2023/24 Q1	£1k certified
Southport Eastern Access Corridor 2023/24 - Q1 Claim	£39k certified
Maritime Corridor 2023/24 - Q1	£19k certified
Crosby Lakeside Adventure Centre 2023/24 – Q1	£151k certified
Southport Events Centre and Theatre 2022/23 – Q2 Claim	£8.6k certified
Southport Events Centre and Theatre 2021/22 – Q3 Claim	Nil certified
Southport Events Centre and Theatre 2021/22 – Q2 Claim	£34k certified
CRSTS Highways and Non-Highways Maintenance Work 2023/24 - Q1 Claim	£60.8k certified

3.2 High Priority Recommendations

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

Corporate Governance Review 2022/23

- 1) The Council’s Code of Conduct should be reviewed, updated and approved annually by the Audit and Governance Committee.

- 2) Capacity issues within services are reflected in Service Plans and remedial action considered as part of budget setting process.
- 3) Improved engagement is required from senior managers as part of the annual governance review.

3.3 2023/24 Resources and Performance

The following table outlines the Audit Team’s performance against the Key Performance Indicators outlined in the Audit Plan agreed by the Committee in March 2023.

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>42%</p> <p>See graph below</p>	<p>30%</p> <p>See graph below and narrative</p>	<p>12%</p> <p>There has been an 7% shortfall in planned staff resources available and the completion of 2022/23 audit work has been significantly more involved and time consuming than anticipated when the Plan was formulated in February.</p>
<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>100%</p>	<p>100%</p>	<p>No variance</p>

Description and Purpose	Target	Actual	Variance and Explanation
This measures the extent to which managers feel that the recommendations made are appropriate and valuable in strengthening the control environment.			

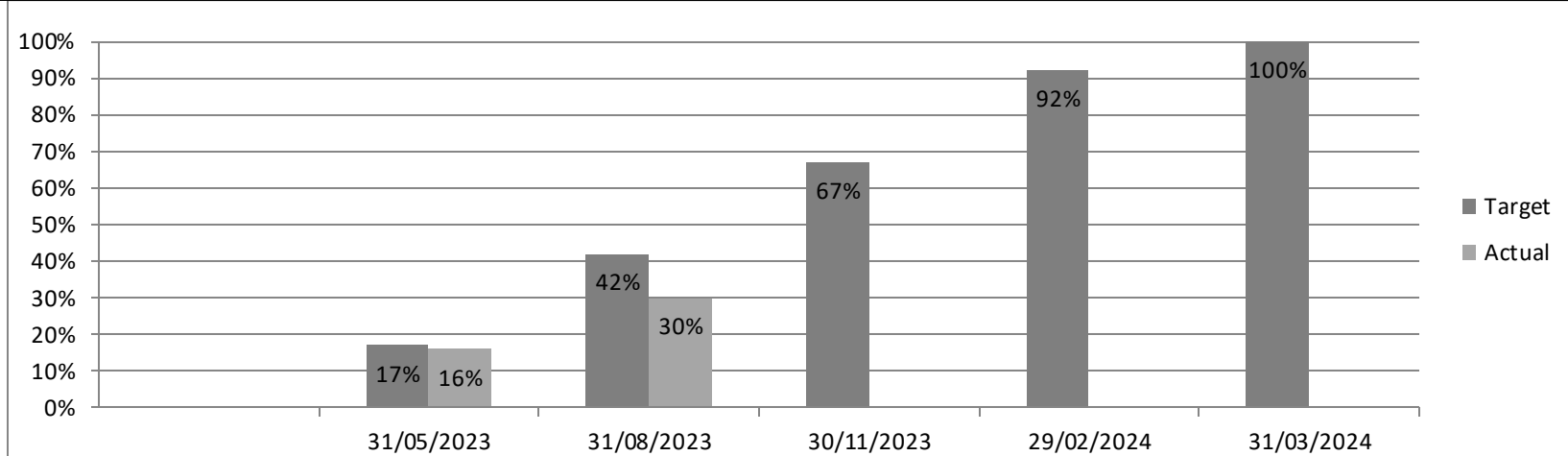


Figure 1: Percentage of the Internal Audit Plan 2023/24 completed.

Figure 1 above shows the percentage of the audit plan completed during the year with 30% of the plan completed after five months.

Presently, the team comprises Audit Manager, two Principal Auditors, a CIPFA trainee and a part-time trainee ICT-Auditor.

- A Principal Auditor employed on a fixed term contract left the Authority on 30 June 2023 leaving a gap in resources. In anticipation of this resourcing gap, we have been attempting to secure a permanent Principal Auditor replacement since March 2023, but without success.
- The CIPFA trainee joined the team from Financial Management at the end of January 2023 and is expected to return to a role in Financial Management after nine-months at which time a new CIPFA trainee will join the Audit team.
- Financial Management in February 2023 as part of the audit planning process agreed that a newly qualified CIPFA apprentice would join the Internal Audit team from July 2023 for two years. The 2023/24 Audit Plan was present to and

approved by this Committee based on this assumption. Finance have confirmed that they are not in a position to be able to release this resource.

Current resourcing risks to the delivery of 2023/24 Audit Plan.

- Inability to recruit a replacement Principal Auditor from July 2023. We are optimistic that we will recruit to the vacant post by January 2024. This leaves a shortfall of six-months (or 0.5 Full Time Equivalent) in the annual resource.
- Financial Management are not in a position to be able to release a CIPFA graduate to the team. This leaves a shortfall of nine-months (0.75 Full Time Equivalent) in the annual resource as it's expected that this will continue to be the case for the remainder of 2023/24.
- Laptop failures during the first part of the year have resulted in several non-productive days for the team. The impact is currently less than 1% of the plan, and this will be continued to be monitored.

The impact of the lack of resources has impacted from 1 July 2023 onwards, as essentially the team are two Full Time Equivalents staff (36%) smaller than the original planned resource complement included in the March 2023 Internal Audit Plan, which has impacted on the delivery of the approved audit plan. We have traditionally operated a very low contingency so that work is allocated into planned audits which makes where there is a significant change in the resource difficult to accommodate without altering the plan and bringing back to the Committee to approve. In addition, some audits completed in 2022/23 have had to be extended to reflect additional work that was required following risks being identified. As reported to the Committee in July 2023, a revised Annual Audit Plan will be required for the rest of the financial year, to reflect the reduced resources which is detailed below.

3.4 Revised Audit Plan 2023/24

The reduction in available resources, described above, decreases the available audit days available from 1,055 to 798, a reduction of 257 days. The revised 2023/24 audit plan is detailed below.

Although the numbers of days are sufficient to potentially provide an annual opinion at the end of the financial year without providing a qualified opinion the resources are at the edge of being acceptable to undertake this. In the event of a special investigation or other unplanned work that needs to take place the opinion could end up being qualified as further resources are moved to accommodate the work.

The Council's insurance programme includes a number of free risk management days which can be utilised to provide additional risk management support and training. We are able to utilise some of these days to undertake a review of Emergency Planning which is currently underway using risk days from 2022/23 insurance year and risk management from the 2023/24 insurance year.

Service	Audit Engagement	Days	Comments
Adults Social Care	ASC Debt Management Follow-up	10	
Adults Social Care	Consultancy - ASC transition from net to gross payments	0	Removed from revised plan
Adults Social Care	Inspection and assessment preparation	20	
Adults Social Care	Integrated Care Board - joint working and funding	0	Removed from revised plan
Adults Social Care	Review of controls to mitigate risk of market failure of ASC provision	20	
Children's Social Care	Placements and Packages	0	Removed from revised plan
Children's Social Care	Review of controls to mitigate risk of market failure of CSC provision	20	
Children's Social Care and Education	Troubled Families Grants	8	
Cross Cutting CSC	CSC - Agency Staff	20	
Education	Schools	96	
Education	Pupil Place Planning	20	

Service	Audit Engagement	Days	Comments
Education	High Needs Schools	0	Removed from revised plan
Financial Management	Grants Management	15	
Financial Management	LCR Grants	60	
Financial Management	LCR Grant - UK Shared Prosperity Fund	0	Grant certification work no longer needed, removed from revised plan.
Financial Management	Government Funds and Grants	20	
Financial Management	Corporate Debt Follow-up	0	Removed from revised plan
Financial Management	Petty Cash	15	
Financial Management	School Debts - Academies	5	
ICT	Cyber Security	0	Removed from revised plan
Internal Audit	PSIAS - preparation and improvements	20	
Personnel	Core HR system controls	0	Removed from revised plan
Property and Building Services	Administration of Recycling Grants	20	
Revenues and Benefits	Reconciliation assurance for new Revenues and Benefits document management systems	2	
Risk and Audit	Risk Management (New)	5 *	External review by Gallagher

Service	Audit Engagement	Days	Comments
			Bassetts
Risk and Audit	Emergency Planning	4 *	External review by Gallagher Bassetts
Strategic Support	Historic Record Management	0	Removed from revised plan
Strategic Support	Freedom of Information	10	
Strategic Support	Data Warehouse	0	Removed from revised plan
External	Sandway Homes - Loan Agreement Compliance	20	
External	SHOL	15	
External	Sefton New Directions	20	
External	Mayor's Charity	5	
Communities	Inventories	0	Removed from revised plan
Communities	Leisure Centres	50	
Operational In-House	Waste Management - appointments, pay and overtime, procurement	25	
Public Health	Commissioning - 'Living Well Sefton'	15	
Public Health	Re-establishment of Sefton Health Protection Forum	0	Removed from revised plan
Economic Growth and	Social Value Outcomes	15	

Service	Audit Engagement	Days	Comments
Housing			
Economic Growth and Housing	Damp and Mould	15	
Economic Growth and Housing	Major Construction Projects	20	
Highways and Public Protection	Severe Adverse Weather Policy Compliance	15	
Highways and Public Protection	Highways inspection - public sector equality duty	15	
Cross Cutting	AGS 2022/23	25	
Cross Cutting	AGS 2023/24	15	
Cross Cutting	Climate Emergency	15	
Cross Cutting	Follow Up of Implementation of Internal Audit Recommendations	30	
Cross Cutting	Assurance Mapping	25	
Cross Cutting	Support to trainees	10	
Cross Cutting	Governance Assurance Statements	10	New area
Cross Cutting	Completion of 2022/23 outstanding audit work	24	Increased due to increased complexity of 2022/23 wholly

Service	Audit Engagement	Days	Comments
			owned company reviews.
Cross Cutting	Contingency for Other Audit Work	33	Increased, due to involvement in fact finding exercises.
	Total Audit Days	798	

Audit Assignments removed from the revised plan will be considered for inclusion in future Audit Plans.

* Audit days completed by Gallagher Bassett, Council's Claim Management provider, are not included in the total number of days.

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 was due to be externally assessed during 2022/23. With the absence of the Internal Audit Manager for four months the planning for the assessment was unable to take place. The annual self-assessment is being undertaken which informs the improvement plan and forms an element of planning for the external assessment. As the service has not been externally validated within the five year period the internal audit service no longer complies with the Public Sector Internal Audit Standards. We are planning to undertake the external validation in Q4 2023/24.

3.6 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 and planning for our agile/hybrid return to Magdalen house.
- Strengthened the school audit programme to better reflect changes in Sefton's Scheme for Financing Schools. The programme will increase focus on bank pay-ins by schools.
- Engaged with external recruitment agencies to find a suitable permanent Principal Auditor to join the team.
- Implementing dedicated team office days to further strengthen our already strong team dynamics.

- Reviewed and prioritised the 2023/24 Audit Plan and presented a revised plan for consideration and approval by this committee.
- Developed and issued a questionnaire to other Internal Audit teams with the expectation that responses will facilitate bench marking.
- Currently assisting a whistleblowing complaint
- Engaged on providing support regarding an investigation linked to compliance with Code of Conduct.
- Recruitment on the Principal Auditor vacancy. We have appointed an agency and are at the time of writing the report shortlisting candidates.

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.
- Continue our search for a suitable Principal Auditors to join the team.

4. Health and Safety: Performance Update

4.1 Progress

- 4.1.1 Following the departure of a permanent member of the Health and Safety team (the Team) at the 30 June 2023 there has been recruitment activity to fill the vacancy. We are currently exploring with agencies on providing suitable candidates for interview and will update Members at the September 2023 of our resulting progress. We are currently advertising for another role and are experiencing similar issues in attracting suitably qualified and experienced interviewees for the role and will likely to move to the next stage of approaching agencies for candidates. There are currently two members of the Team, with additional support being provided from the Assurance Team, to provide a service to the Council. A benchmarking process is being undertaken to compare Sefton's current health and safety team resources to that of other Councils within Merseyside.
- 4.1.2 Resources continue to be stretched to meet the various demands of the Council. As a result, the Team are focusing on key priorities and managing expectations. The Corporate Health and Safety team supports nearly 8,000 staff (including maintained school staff, and schools with a Service Level Agreement), plus agency staff, contractors, and volunteers working on behalf of the Council. The end of the school summer term has allowed some respite and time for procedural review, alongside a drop in internal demand due to staff holidays.
- 4.1.3 The Team continues to deliver a range of services across all departments and schools, which can generally be divided into three main areas:
- Policy and communication
 - Operational reactive and proactive response
 - Active monitoring.
- 4.1.4 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.
- 4.1.5 Consultation arrangements continue to work well, with the Corporate Health and Safety Committee playing a key role in conjunction with the Departmental Health and Safety Sub-Committees. The next scheduled corporate meeting will take place in September. Most committee meetings continue to be held virtually, using TEAMS, and are held ahead of the main

meeting itself. This provides a good avenue for the dissemination of information relating to that particular department and the wider dissemination via the full Committee. Terms of reference may require re-visiting to ensure that where members cannot make the main meeting, a competent deputy attends in their place.

- 4.1.6 The Team is attending corporate sites to advise and ensure statutory compliance, as well as restarting school visits, to review safety management systems. Such visits have been severely restricted in recent years due to the pandemic. Examples of recent corporate visits have included Magdalen House and Hawthorn Road Depot in Bootle. Non-corporate venues have included the scenes of forthcoming public events, either alone or in conjunction with other authorities such as the police, as well as schools, both for audit and to advise upon more complicated issues, such as the effective evacuation across two sites.
- 4.1.7 Under reporting of accidents, incidents and near misses remains an issue. Whilst Sefton is not alone in experiencing this, there is room for much improvement. The Team continues to encourage managers to ensure all accidents, incidents and near misses are reported to ensure safety management is improved and to ensure the Council is protected as best as it can in the event of future claims, as well as comply with its legal duty to report accidents under the Social Security (Claims and Payments) Regulations. In addition to reminders through the Corporate and sub-Committee structure for managers to encourage reporting we have also during the quarter made the reporting system more accessible and simpler, with access now being available directly from the intranet's front page as well as available through the health and safety intranet page.
- 4.1.8 Reporting rights are no longer just restricted to managers but also available to first line supervisors to relieve administrative burdens and increase information flows. All Service Areas have been approached to provide details of their first line supervisors and we have refreshed the user lists on the software issuing new log ins. Departments are being approached and advised directly where there is strong evidence of under-reporting. The Team is working with the Comms Teams to produce a package of communication to staff members from regular emails, updates on the intranet and a video from senior management.
The Incident Reporting procedure is currently under review to ensure all current issues, including reporting mechanisms for third party contractors working on behalf of the Council's undertaking, are covered.
- 4.1.9 The Team continues to review the quality of incident reporting and advises the inputter where there is scope for improvement. There has been some visible improvement in quality noticed over the quarter, however, there remains a long way to go. A small number of incidents continue to be reported under RIDDOR when they should not be. It is believed that the number of RIDDOR reports submitted each year can be reduced, thereby only allowing genuine ones to be forwarded to

the HSE. The team continues to discuss accident and incident reporting to further publicise the need for quality information being received. This will then allow true analysis and targeting where necessary.

- 4.1.10 The summer months have brought about a full schedule of events held across Sefton's parklands and other associated sites. Those events have included everything from music to comedy, to food, drink, flowers, fireworks and air displays. All of these have boosted tourism and rejuvenated some of our more disadvantaged neighbourhoods. Whilst most events are relatively low risk in nature, some of the activities incorporated within may be deemed higher risk and requiring further consideration. Fair rides, inflatables and daredevil stunts are examples of activities that can raise the risk levels of an event and thereby attract the attention of the team via the Sefton Event Safety Advisory Group (SESAG). The team are active members of SESAG advising other stakeholders on the Group, as well as event organisers in relation to their responsibilities and best practice. The volume of documentation that can be submitted for such events can be significant which does impact on the team's activities.
- 4.1.11 The Team has recently reviewed the Council's procedures when dealing with event applications, ensuring a more coordinated approach across Service Areas and enhancing systems that are currently in place. They are currently working with other teams and departments to ensure the recommendations are implemented as soon as reasonably possible.
- 4.1.12 The Service Level Agreement with a significant number of Sefton's schools has been renewed for the 2023/24 period. Visits to those schools are being planned to allow the review of their safety management systems. As expected, most of those visits are to occur following the summer break and will take up a significant proportion of the Team's time.
- 4.1.13 Risk assessment remains the mainstay of health and safety and the team receive such documents for review from a range of sources, including corporate departments, schools' external events organisers (via the Evolve database) and from public event organisers (via the Events Safety Advisory Group). There is a wide range of differing standards when it comes to risk assessment submissions and advice is given upon receipt to strengthen the quality of those submitted. Risk assessments and safe systems of work should be reviewed following accidents or incidents and this message is regularly disseminated by the team to wider management to secure a more robust due diligence system.
- 4.1.14 The Team continues to work alongside other Service Areas to review existing practice and establish best practice. Examples of such cross - departmental work include:
- Property Services in relation to fire marshal and first aid provision, PAT testing, security and aggression in public facing council buildings.

- Building Services in relation to Asbestos Management
- Workforce Learning and Development in relation to the establishment of a new health and safety training programme.
- Various parties on the re-establishment of the Workforce Wellbeing Group.
- Adult Social Care in relation to better accident / incident reporting measures.
- Operational In-House Services in relation workers working in excessive heat, hand – arm vibration and working in or near water.
- Operational In-House Services and Communities on managing open water spaces and beach environments.

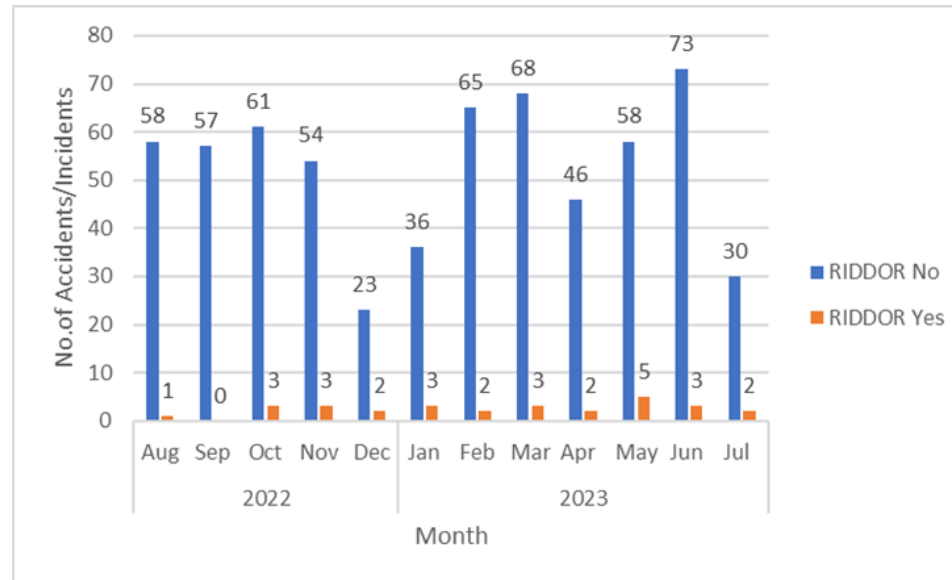
4.1.15 Along with some of the broader projects, the team remains busy with more specific / individual enquiries from both the schools and corporate side. These cover such areas as:

- Personal Emergency Evacuation Plans (PEEPS) for disabled members of staff
- DSE and Ergonomic issues including the purchase of relevant chairs.
- Fire evacuations in a school
- Potential health issues from vegetation growing in a school.
- School's struggling to access the CLEAPSS and Evolve systems.

4.2 Key Incident Data

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

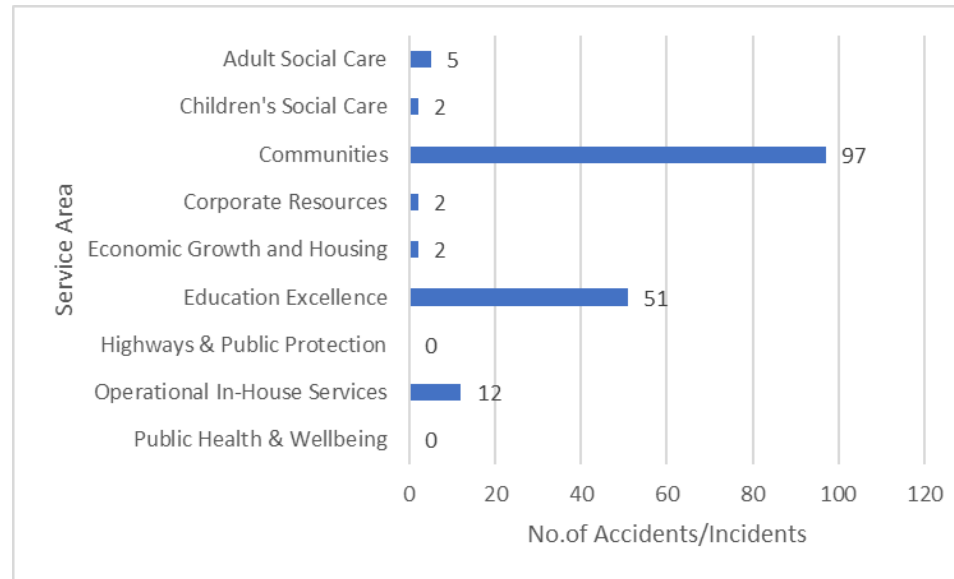
Graph 1 below provides reportable Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and non - reportable accident and incident data for the Council from 1 August 2022 to 31 July 2023 over the past 12 months.



Graph 1: Accident and Incident data between 1st August 2022 to 31st July 2023

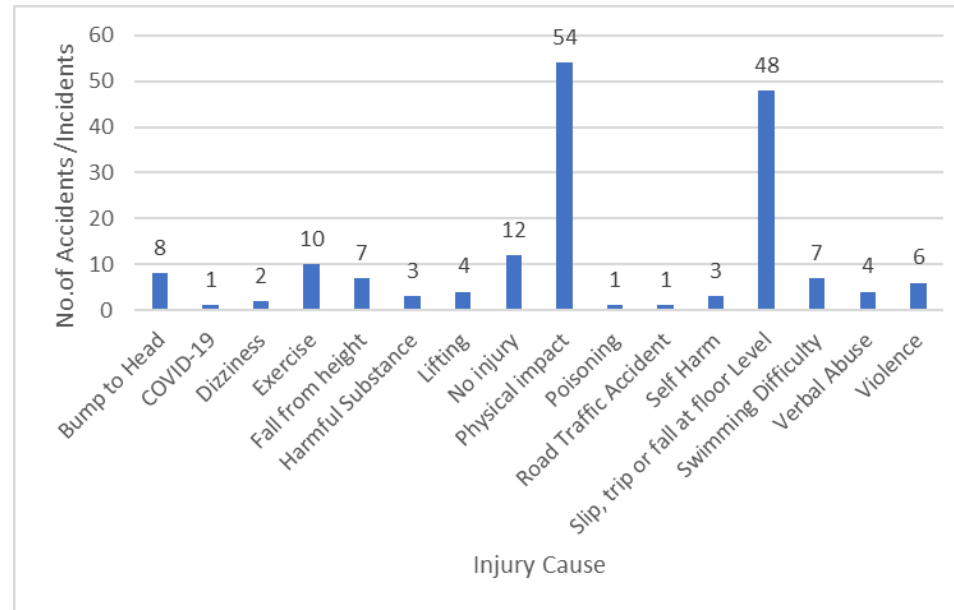
4.2.2 The graph shows relatively steady reporting figures, save for a drop in December, January, April and July. Drops in reporting can usually equate to an increase in staff leave, so the run up and aftermath of Christmas and Easter may have an impact upon this. In other areas, such as Communities, increased footfall over holiday periods can increase and can reflect in their figures. The Team has experienced some cases of ‘reporting on mass’, when some supervisors clear their books and catch up on long overdue accident and incident reports. This can skew the figures for certain months and is a practice that we are working to address.

Graph 2 provides accident and incident data comparisons for Service Areas between 1 May 2023 and 31 July 2023.



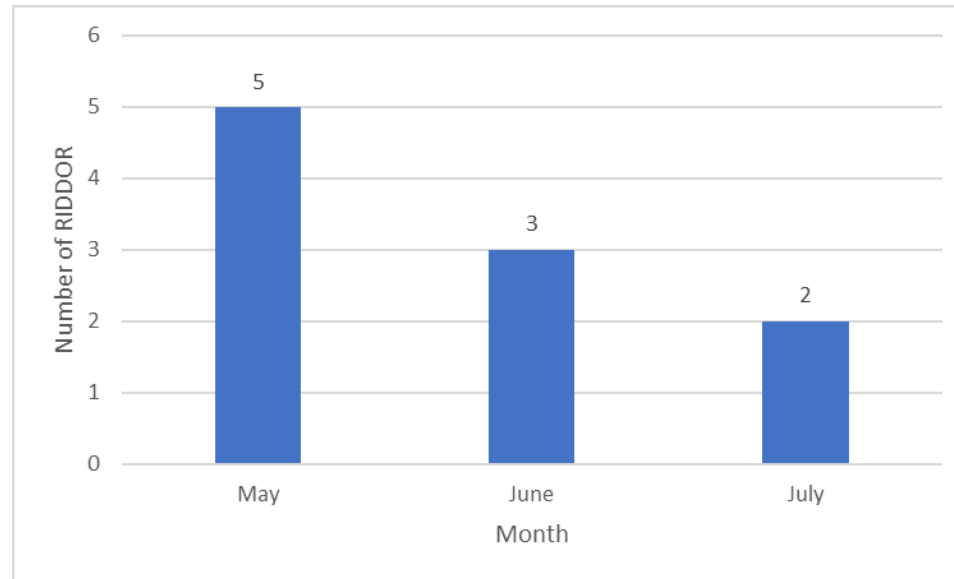
4.2.3 The recorded incident numbers particular the higher numbers can be interpreted in several different ways. It may be a reflection of the size of the department, as a higher employee count will likely lead to a higher incident rate. Similarly, it can reflect higher risk activities, or possibly, just that one department is better at reporting near misses etc. than others. In the quarter under review, Communities topped the reporting of accidents and incidents. The graph also highlights some potential under reporting by Service Areas and this matter continues to be raised accordingly as highlighted above.

Graph 3 shows the reported causes of accidents and incidents reported across Sefton Council from 1 May 2023 to 31 July 2023.



4.2.4 The highest reported categories are physical impact which has overtaken slips, trips and falls for this quarter; however, this must be read in context as many of these will result from playground activities, contact sports and games. Instances of physical impact away from where it is expected will be fully investigated.

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 May 2023 to 31 July 2023.



4.2.5 As highlighted previously, RIDDOR reporting is currently under review to ensure that only those reports that meet the criteria are put through. Generally, they must relate to an accident and be work related (as opposed merely occurring whilst in work). These elements are crucial. The determination of an accident is defined by the HSE as an identifiable external event that causes the injury, e.g., a falling object striking someone. Feeling a sharp twinge in the back would not be classed as an accident. Work related is defined as 'out of or in connection with work' – i.e., it must be part of the work process. With ten RIDDOR reports for this quarter, it is an increase in the previous quarter's submission of seven.

4.3 Developments

4.3.1 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.

4.3.2 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.
- Supporting the review of event management by Green Sefton and Tourism as well as Open Water safety by Green Sefton and Leisure.
- Continue to deliver a health and safety monitoring regime across the Council, to schools where the Council retains responsibility for the health and safety as the employer and those schools with a Service Level Agreement with the Councils Corporate Health and Safety Team. This will provide assurance that health and safety management systems 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 and monitor schools in the safe storage and where necessary, destruction of their radioactive sources.

5. Insurance: Performance Update

5.1 Work Completed

- 5.1.1 During the period, the following key pieces of work/projects have been undertaken:
- 5.1.2 The tender for the Council's Insurance Programme has recently been completed in order for the main policies of material damage, combined liability, motor and engineering to be in place for another long-term agreement of three years, with optional extensions of two one-year periods. Following receipt of extensive clarification questions by interested bidders, a total of four major Insurers submitted bids for all or some of the Lots available in the opportunity.
- 5.1.3 In line with the Council's Procurement Rules, the Insurance Team (Team) completed an evaluation exercise on all bids which was then moderated before liaising with the Council's Insurance Brokers who evaluated the Tender separately. The Brokers produced an overall Evaluation Report recommending the highest ranked providers for each Lot.
- 5.1.4 Following approval by Cabinet Member in March 2023, delegated authority was granted to the Executive Director of Corporate Resources & Customer Services in consultation with the Cabinet Member, Regulatory, Compliance, and Corporate Resources to award the contracts which has been formally obtained following the completion of the tender. The new contracts are due to commence on 29 September 2023 and we will be meeting the insurers to ensure that there is effective on boarding of insurers for the new contracts. The adoption of the recommended Insurers means a change of insurer for the Motor policy and appropriate arrangements will be put in place to ensure a smooth transfer.
- 5.1.5 Unfortunately, due to the hardening insurance market, the exercise has seen annual premiums rise significantly since renewal last year for all but the Motor policy which has seen a welcome reduction in premium. During the Covid-19 pandemic there was a focus by the insurance market on cost and profit from the previous prevailing focus on market share. Post pandemic there have been supply chain issues, inflation, Ukraine, shortage of labour and rising energy prices which have impacted on the cost of claims which have ultimately fed through to the cost of insurance.
- 5.1.6 On the advice of the Council's Brokers, Marsh, the more specialist Council policies (Terrorism, Director's & Officers, Personal Accident & Travel, Fine Art, Marine, Drone, Premises Pollution and Sefton Arc PI and PL), were omitted from this Tender exercise. This was because the market for these covers would be extremely limited using a tender aimed at Public Sector insurers with potentially no quotes being received or if only one bid was received, then there would be no option but to

accept the premium quoted. It was therefore recommended that Marsh utilise their in-house placement team to approach multiple markets. This would provide competition, resulting in being able to place policies at the most competitive option and ensure that value for money is gained. The results of this exercise are as yet unknown, however will be reported on in a future update and agreed by a Waiver.

- 5.1.7 The Council continues to defend cases robustly to protect the public purse and, where necessary, will enlist the assistance of Weightmans, the Council's liability insurance solicitor, to provide litigation support for appropriate claims. With Weightmans assistance, two insurance claims were recently discontinued by the claimants prior to trial. The claims had a reserve of £75k of £50k.
- 5.1.8 The valuation of Council properties reported in previous updates has now been completed and the report provided by the external valuers will provide the Council with assurance that the appropriate level of material damage cover is in place for each Council building. With the exception of 40 buildings subject to external valuations in 2021/22, all remaining Council buildings, and as agreed by Insurers, were valued for insurance purposes via a hybrid exercise (both on site and desktop appraisals). Although the report has still to be studied closely there is currently a mix of under and over valuations within the portfolio. Overall, there is a requirement to increase the total sum insured of the buildings by 9% approximately and insurers have been notified accordingly. It should be noted that this will lead to an additional premium on the Material Damage policy.
- 5.1.9 A recruitment exercise has recently been undertaken due to the retirement of a long standing member of the Team in June 2023. This proved successful and a new experienced Insurance Claims Technician joined the Team at the beginning of August 2023 which will ensure that the Team continues to provide a high level of service to both internal and external partners.
- 5.1.10 The Team, where necessary, will continue to work with service areas to improve the management of insurable risk especially in areas where there are high numbers of claims or areas of concern. The Council generally has high defensibility rates, and such risk management activity will assist in maintaining and potentially improving the position further.

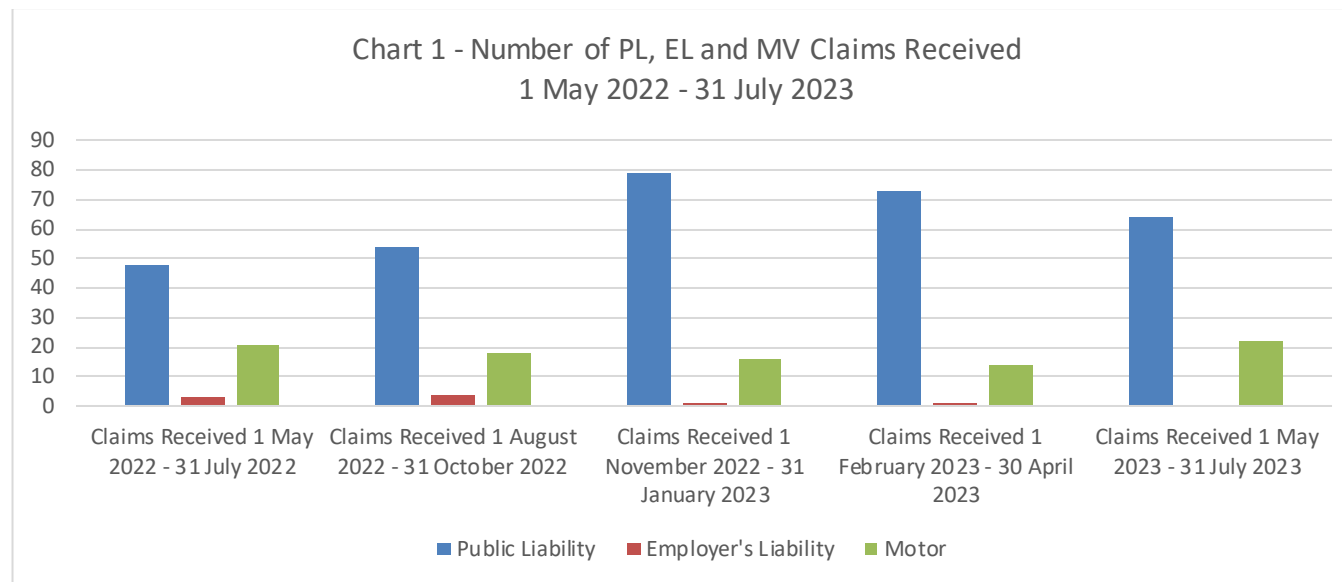
5.2 Key Claims Data

5.2.1 The following charts outline the insurance performance and include:

- Numbers of claims for Public Liability (PL), Employers Liability (EL) and Motor (MV) received by Sefton Council for the period 1 May 2022 to 31 July 2023.

- Value of the reserves for PL, EL and MV claims received by Sefton Council for the period 1 May 2022 to 31 July 2023.
- The average reserve value for PL, EL and MV claims received by Sefton Council for the period 1 May 2022 to 31 July 2023.

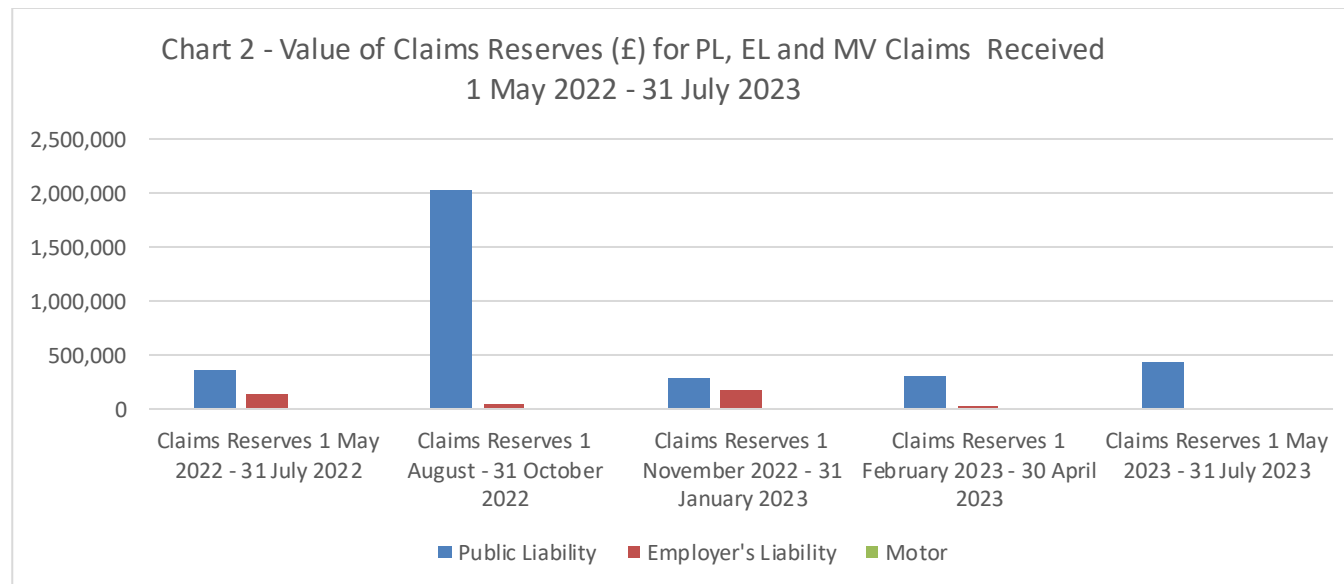
Chart 1 below outlines the number of claims for PL, EL and MV received for the period 1 May 2022 to 31 July 2023.



5.2.2 Numbers of PL claims have decreased by 12% from the previous quarter, and 19% since the peak in the third quarter of the overall reporting period. However, they end at an increase of 33% from the same period last year. Personal injury claims represent 53% of the claims received with the remainder being third party property damage. The majority (61%) of claims relate to the Highways service area which account for 56% of the personal injury claims and 44% of the property damage claims. Property damage caused by tree roots account for a further 11% of claims received with the remainder being shared equally amongst a number of other service areas.

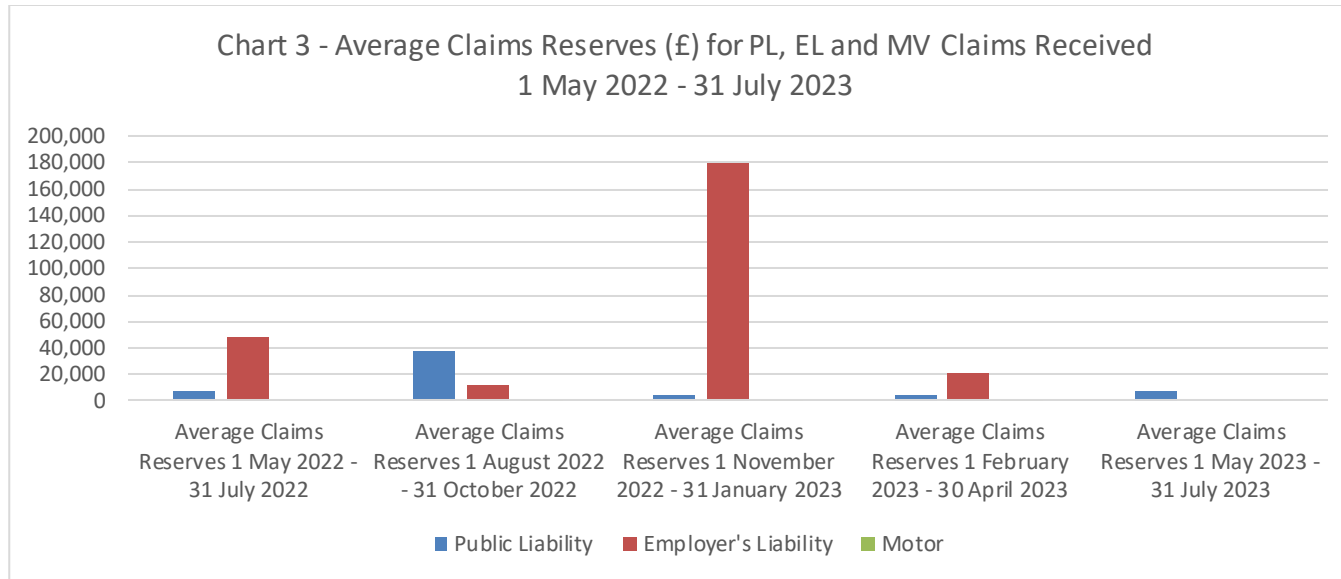
- 5.2.3 For the first time in the overall reporting period, not EL claims were received in the last quarter, which is pleasing to note.
- 5.2.4 The number of MV claims received is the highest of the overall reporting period at an increase of 57% since the last quarter, although in line with the same period last year. Own damage claims count for 41% of the claims received with the remaining 59% involving third party damage. The Waste and Cleansing service area account for 64% of the claims received with the remainder being shared equally amongst a number of other service areas. As per the last update, there have been no claims received for personal injury.
- 5.2.5 The current profile in all three areas presents no cause for concern however claim numbers will be monitored for any changes in trend.

Chart 2 below outlines the value of the reserves for PL, EL and MV claims received for the period 1 May 2022 to 31 July 2023.



- 5.2.6 Claim reserves are allocated by the insurers and/or claims handlers independent of the Council and are determined by the type of injury sustained by the third parties and/or damage occasioned to their property.
- 5.2.7 Although there has been a decrease in numbers of PL claims received, due to the nature of alleged property damage and/or personal injury occasioned to third parties, there has been an increase of 38% in the value of claims reserves, which is the second highest of the overall reporting period. A number of data breach claims are in those reported this quarter, and as they are relatively new, and not yet fully investigated by the Team/external partners, their value will remain high as a precaution.
- 5.2.8 Claim reserves for EL claims are not reported on, given none were received in the last quarter.
- 5.2.9 Despite an increase of 57% in MV claim numbers, claim reserves have decreased by 46% in the last quarter. All are repair related.

Chart 3 below outlines the average value of the reserves for PL, EL and MV claims for the period 1 May 2022 to 31 July 2023.



5.2.10 The average reserve for PL claims shows an increase of 57% since the last quarter, although a decrease of 8% since the same period last year.

5.2.11 Average claim reserve for EL claims are not reported on, given none were received in the last quarter.

5.2.12 The average MV claims reserve, which is the third highest of the overall reporting period, has decreased by 66% in the last quarter.

5.2.12 Trends in claims performance will continue to be monitored.

5.3 Developments

- As a result of the Insurance Tender exercise, the Team will meet with all Insurers in the coming weeks to ensure smooth transition of the policies from one policy period to another. Contracts will be monitored to ensure compliance is in line with expectations of all parties, especially where policies have transferred to new Insurers. Service Areas will also be

reminded of their obligation under the Insurance Act 2015 to disclose any change in risks/service delivery or new areas of work/responsibility to ensure that full coverage is provided under the appropriate policy.

- The Team, in conjunction with Health & Safety and Tourism colleagues, have recently met to review event management and provide an approach going forward. Health & Safety colleagues are currently finalising a report on the matter.
- As previously reported, a class action claim has been received by the Council involving historical claims of abuse. This type of claim by its very nature can progress very slowly, although the Team continue to liaise with both insurers and solicitor's acting for the Council when necessary. Since the last Committee, a further 18 individual claims have been received bringing the total to 56 – each attracting a conservative reserve of £50k. Weightmans, acting for the Council in the proceedings, have now imposed a cut-off date for further claims being presented and will attend, along with the Council's Chief Legal and Democratic Officer, meetings with Counsel to discuss and consider settlement of the claims.
- 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 continues 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. Whilst plans did not come to fruition in respect of the Occupational Stress Review detailed in the last update a desktop review of the Council's Emergency Planning policies, plans and strategies to identify any gaps or areas for strengthening has been undertaken. Once the start of the new Insurance year on 29 September 2023 commences, in line with the new contracts for the previously mentioned Insurance Tender, further days will become available and utilised to consider strengthening other areas of the Council where relevant.
- 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 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 shares invitations to MRF training opportunities to relevant Council colleagues and Emergency Duty Co-ordinators (EDCs) to enhance their knowledge and experience. A two day course was held in July 2023, which the Team attended, to enhance knowledge around preparing for recovery management. The Council would be responsible for leading recovery following any Civil Emergency and so knowledge in this area is essential. The Merseyside Recovery Plan is currently being reviewed by a working group; this training will help facilitate that review. A second session of the same course will be held in November 2023, several Sefton colleagues will attend this date.

The Team have attended other Multi agency workgroup sessions for Resilience Direct Mapping module training, a validation exercise for the Site Clearance Response and Recovery Plan, a summer preparedness event (adverse weather and health plan) and a review of the Mass Rescue Plan (Maritime Response Plan).

The team are members of Sefton Events Safety Advisory Group (SESAG) and have been reviewing event plans throughout the summer months and attended several sites for visits to review venue setup. These include Bootle Music Festival, Waterloo Festival, Salt and Tar music event and tabletop exercise. There was also a recent tabletop exercise held to consider the impacts of various scenarios that could affect Southport Airshow.

An audit of the Emergency Planning documentation has been undertaken by Gallagher Bassett, the Council's claim management provider, as part of the free risk management days available to the Council. The Team gathered and collated the required documentation to provide to Gallagher Bassett who are conducting the audit.

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

A Business Continuity exercise was held in January 2023 for Assistant Directors and the Executive Leadership Team. Following a debrief, one action identified was to finish the Corporate Business Continuity Plan. The Team have drafted a version of this plan along with supporting annexe documents. One of the key annexes is a complete list of current Priority Activities from all service areas within the Council. For this to be produced, all areas were asked to update their Service Business Continuity Plans. The plan will be presented to the Executive Director of Corporate Resources and Customer Services (ED CR&CS) for consideration by Strategic Leadership Board.

Following the Internal Audit review of the Risk Management function the Team have introduced a checklist to ensure compliance of the various risk registers in accordance with the Corporate Risk Management Handbook and good risk management practice. A checklist has been completed for the June Corporate Risk Register and feedback has been provided to the ED CR&CS for consideration. The Team will continue, throughout the quarter, to apply the checklist to all completed Risk Registers at Corporate, Service and Operational levels. The results of the checklists will be fed back to relevant risk owners.

The focus on risk management this quarter has been on finalising the training presentation for the introduction of Risk Appetite and the Council's agreed Risk Appetite Framework (RAF). The RAF was presented and approved by Strategic Leadership Board and Audit and Governance Committee last quarter. The team began the rollout of presentations to the Executive Director of Corporate Resources and Customer Services and his Departmental Management Team (DMT). Throughout the summer the team have presented the RAF to each of the other Service Areas DMTs. We are still currently working with the Chief Legal Officer to ensure that the Committee meeting header sheet includes risk appetite.

A further recommendation was to provide clearer definition around roles and responsibilities applicable to both the Risk and Resilience team and all staff with respect to Risk Management. The Corporate Risk Management Handbook has been revised to reflect this additional detail.

The Corporate Risk Register has been reviewed and is due to be presented to the September 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 to ensure ongoing improvement to risk management arrangements across the Council.

Work on producing a Risk Management Awareness e-learning package is nearing completion and the package is due to be tested on colleagues within the wider team before becoming Me-Learning platform for all staff and members to complete.

6.2 Developments

- Major incident plans and processes will continue to be reviewed and updated as necessary or following learning from any incidents.

- Reintroduce quarterly Emergency Duty Coordinator (EDC) briefings to increase knowledge and awareness of EP arrangements.
- Deliver the remaining Risk Appetite training presentations to service area DMTs.
- Review and formalise an internal Incident debrief process.
- Continued engagement and preparation for introduction of Marty's Law and associated workstreams.
- The Team will continue to support further planning and training for the MRF Shoreline Pollution workstream following a successful event to validate the MRF multi-agency plan for multi-agency partners.
- Ongoing review of the business continuity plans with particular focus on recommendations from the recent exercise.
- Planning an exercise for Business Continuity – Adult Social Care Suppliers.
- 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 two members of the Team were 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 and risk management. 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, the Senior Health and Safety Officer leaving in December 2023 and the Health and Safety Officer leaving in June 2023 and the difficulties subsequently in obtaining suitably qualified and experienced staff. Ensuring that there is sufficient capacity within Health and Safety Team to address business as usual, with gaps in the team and challenges in the recruitment of staff using the prescribed routes to recruit staff, has been key to ensure that key processes have operated as

well as some progress being achieved in health and safety. The two staff members seconded to the Revenues and Benefits Team transferred permanently on the 1 April 2023 to Revenues and Benefits Team.

As a result, there has been limited counter fraud activity this quarter although we have help to co-ordinate the completion of the submission of information for the Nation Fraud Initiative and undertaken a review of the Counter Fraud Policy which will go to Cabinet for approval in October 2023.

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 were 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 previous unplanned absences in the Audit Team. As there remains a recruitment freeze for 23/24 there will be limited progress on counter fraud until the resourcing issues are addressed both in this function, the Audit Team and there is clarity on the Council's budget position for 2024/25.

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.
- Assisting the implementing of a RAF across the Council should help in the delivery of the Council's strategic objectives by ensuring that governance arrangements receive an assessment of the risks associated with a proposed action and whether it sits within or outside of the prevailing risk appetite.

- Continued delivery of the Internal Audit Plans for 2023/24, focusing attention on reviewing the key risks to the organisation, which will evolve as the Council changes.
- Implement the actions from the business continuity exercise in January 2023 including the completion of the Corporate BC plan.
- Recruitment of Principal Auditor, and two Health and Safety staff members.
- 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

- 9.1 Internal Audit has made reasonable progress in the completion of the original approved Internal Audit Plan 2023/24 despite the underlying 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 2022/24 approved Internal Audit plan will be hampered by the unplanned reduction in resources requiring a revised Internal Audit Plan.
- 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 is continuing to focus on incident reporting, review of risk assessments and the review of event management/Open Water.
- 9.4 The Council's insurance claims performance remains good.
- 9.5 Further work is planned to improve risk management within the Council by looking at assurance mapping the key risks and embedding the Council's risk appetite through the Departmental Management Teams and the Committee reports. We will continue to ensure that there are risk registers are in place in line with the Corporate Risk Management Handbook.
- 9.6 Progress has been made in embedding business continuity with a focus this year of reviewing the existing BC plans clear road map for the completion of the outstanding business continuity plans shortly and a focus over the remainder of the financial year at testing and exercising the BC plans.
- 9.7 We are developing improvement places across each of the service areas to deliver improvements which will result in improved risk services as well as an integrated risk and audit approach.