

# Audit & Governance Committee

Date: **Monday 13 March 2023**

Time: **10am**

Venue: **Council Chamber, County Hall, Martineau Lane,  
Norwich NR1 2DH**

## Membership

Cllr Ian Mackie (Chairman)  
Cllr Robert Savage (Vice Chairman)

Cllr Terry Jermy  
Cllr Mark Kiddle-Morris  
Cllr Kay Mason Billig  
Cllr Saul Penfold  
Cllr Tony White

Chris MacDonald (independent person)  
Tracey Colman (independent person)

Advice for members of the public:  
This meeting will be held in public and in person

It will be live streamed on YouTube and members of the public may watch remotely by clicking on the following link: [Norfolk County Council YouTube](#)

We also welcome attendance in person, but public seating is limited, so if you wish to attend please indicate in advance by emailing [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)

We have amended the previous guidance relating to respiratory infections to reflect current practice but we still ask everyone attending to maintain good hand and respiratory hygiene and, at times of high prevalence and in busy areas, please consider wearing a face covering.

Please stay at home if you are unwell, have tested positive for COVID 19, have symptoms of a respiratory infection or if you are a close contact of a positive COVID 19 case. This will help make the event safe for attendees and limit the transmission of respiratory infections including COVID-19.

# A g e n d a

**1 To receive apologies and details of any substitute members attending**

**2 Minutes**

To confirm the minutes of the meeting held on 28<sup>th</sup> November 2022.

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**3 Members to Declare any Interests**

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
  - Exercising functions of a public nature.
  - Directed to charitable purposes; or
  - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.

If that is the case then you must declare such an interest but can speak and vote on the matter.

**4 To receive any items of business which the Chair decides should be considered as a matter of urgency**

**5 Norfolk Audit Services Quarterly Report for the Quarter ended December 2022**

Report by the Executive Director of Finance and Commercial Services

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**6 Risk Management Quarterly Report**

Report by the Executive Director of Finance and Commercial Services

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<b>7</b>	<b>External Audit Update</b> Report by the Executive Director of Finance and Commercial Services	<b>Page 79</b>
<b>8.</b>	<b>Internal Audit Strategy, Approach and Audit Plan for 2023-24</b> Report by the Executive Director of Finance and Commercial Services	<b>Page 83</b>
<b>9.</b>	<b>Committee Work Programme</b> Report by the Executive Director of Finance and Commercial Services	<b>Page 111</b>

Tom McCabe  
Head of Paid Service  
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Date Agenda Published: 3 March 2023



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## **Audit & Governance Committee**

### **Minutes of the Meeting held in Council Chamber, County Hall on Monday 28 November 2022 at 10:00am**

#### **Present:**

Cllr Ian Mackie – Chairman  
Cllr Terry Jermy  
Cllr Mark Kiddle-Morris  
Cllr Robert Savage – Vice-Chairman  
Cllr Saul Penfold  
Cllr Tony White

Tracy Colman (Independent Person)

#### **1 Apologies for Absence**

- 1.1 All members were present. Apologies received from Chris Macdonald (independent person)

#### **2 Minutes**

- 2.1 The minutes from the Audit Committee meeting held on 28 July 2022 were agreed as an accurate record and were signed by the Chairman.

#### **3 Declaration of Interests**

- 3.1 Cllr Robert Savage declared an “Other Interest” as he is a Member of the Norfolk Pension Fund scheme.

#### **4 Items of Urgent Business**

- 4.1 None.

#### **5 Terms of Reference for the Governance and Audit Committee**

- 5.1 The Committee received the annexed report (5) by the Director of Governance which outlined the new terms of reference for the committee since the merging of the Audit and Standards committees. The report also detailed the procedure for dealing with standards hearings should the occasion arise and nplaw’s standard guidance for undertaking investigations.
- 5.2 In response to questions from the Committee, the following points were noted:

- The principal of a sub panel for standards hearings was to be established within the terms of reference and if need arises the panel would be selected from members of the committee, taking in to account balance of political parties and gender if possible.
- It was noted that the committee currently has a vacancy which had arisen when Cllr Vincent become the County Council Chair in May 2021.

5.4 The Committee considered the report and **RESOLVED** to:

1. **Endorse** the terms of reference agreed by Council on 19 July 2022 set out in Appendix A and suggest to Council that the Committee be titled, 'Audit and Governance Committee', as that is recognisable and more easily searched by interested parties who wish to find reports, particularly relating to matters of public interest such as the approval of the accounts
2. **Endorse** the current procedure for dealing with standards hearings set out in Appendix B
3. **Establish** a hearings sub-committee as set out at 4.3 (2) (f) of its terms of reference to be selected from committee members trained in dealing with standards hearings
4. **Note** nplaw's guidance for carrying out standards investigations (Appendix C)

## 6 Monitoring Officer Annual Report 2021-22

6.1 The Committee received the report by the Director of Governance which summarises the internal governance work carried out by the Monitoring Officer (MO) in 21/22 and provides assurance that the organisation's control environment which are the responsibility of the MO is adequate and effective.

6.2 In response to questions the following points were noted:

- The code of conduct was part of the County Council's constitution and training for members was available both at induction of a Councillor's term of office and upon request. The recent training from the Deputy Monitoring Officer had been well received and it was hoped to arrange similar training for members in the New Year.
- The committee acknowledged that conduct standards amongst members was good and the standards sub panel had only met once in the past 3 years.

6.4 The Committee considered the report and **RESOLVED** to:

- Note the contents of the report and the key messages in the above Executive Summary and Appendix A section 2.1; and
- continue to review information on the effectiveness of the management processes and corporate control functions (legal, financial, health and safety and human resources services performed) as provided by internal audits, self-assessment, customer feedback and any existing external performance reviews.

## 7 Anti-Fraud, Bribery and Corruption Report for the Quarter ending 30 September 2022

7.1 The Committee received the annexed report (7) report by the Director of Governance which provided an update in respect of anti-fraud, bribery and corruption activity undertaken during the 22/23 financial year to date.

7.2 The following points were noted in response to questions from the committee:

- Members were advised that those cases which were investigated were a mix of straight forward thefts to complex frauds. The team had achieved national recognition for their work.
- The committee praised the team involved in alerting residents to scams, although concerns were expressed that those that did not use digital and social media platforms might be left unaware. It was suggested that the Council's communications team should give some thought on how this cohort of people could be reached.
- The report referred to £400,000 worth of savings and recoveries although no further detail was provided. The Assistant Director of Finance (Audit) committed to return to members with some further detail on how this figure was ascertained.

7.3 The committee considered the report and **RESOLVED** to:

- **Agree** the key messages featured in this report, that the work and assurance meet their requirements and advise if further information is required.

7.4 The Director of Governance was moving on to pastures new in early 2023 and the Chairman, on behalf of the committee, thanked her for the support and guidance given to the committee in her role during the past 5 years.

## 8 External Audit Update

8.1 The Committee received the annexed report (8) by the Executive Director of Finance and Commercial Services which provided an update on the audit of the annual statement of Accounts and Annual Governance Statement for 2021-22.

8.2 Due to national issues relating to accounting for infrastructure assets, the UK Government plans to push through statutory changes for Local Authorities regulations that will override the accounting standards relating to infrastructure assets temporarily. This legislation is expected to come into force in the next few weeks and as a result the completion and approval of the accounts will be delayed.

Debbie Hanson, External Auditor from Ernest Young LLP gave a verbal update around the complexities of the regulations and how historical differences in accounting procedures across local authorities have created issues. Good progress had been made on the audit, although there was still some work to consider once the regulations were in force. Currently no significant concerns to date had arisen. The audit is not expected to conclude until January / February 2023.

In addition, Debbie Hanson also advised:

- Assurance is still awaited from the Group Auditors for the 21/22

financial year. No significant concerns are expected from the Group Accounts.

- Information from officers was being sought with regard to the risk of land and buildings assets. However, no significant concerns have been identified within that risk area.
- Within the audit plan, a significant risk for the council was in relation to the incorrect capitalisation of revenue and also incorrect classification of expenditure (Revenue Expenditure Financed by Capital Under Statute – REFCUS). The work in this area is almost complete and to date no significant concerns have arisen.
- Pension liabilities was also noted as a high inherent risk within the audit plan due to the size of and a high level of estimation. The work on the Pension Fund had been substantially completed and once finalised the letter of assurance would be provided. No significant concerns have been raised to date.
- Ensuring that school transfers to academies had been undertaken correctly had been a focus for the audit and no significant issues had arisen from this area.
- Accounting for grants had also been focused on within the audit, due to the number of Covid grants received. The risk had been downgraded from last year and no significant issues had arisen.
- Going concern assessments are now a focus for local government auditing with both Covid and recent changes in auditing standards highlighting the need for consideration. A preliminary assessment has been made, taking in to account national and international pressures, such as inflation and the illegal invasion of Ukraine by Russian armed forces. This assessment is dated for the 12 month period from the date of the final audit report and the preliminary position may require updating.

The following points were noted in response to questions from the committee:

- The Public Sector Audit Appointments (PSAA) board's fee scale is likely to significantly increase in the next contract, due in 2 years' time, because of the additional work now required to complete local authority audits. The fee scale, once agreed by the board, would be universally applied to all local authorities who had opted into the PSAA agreement and could not be negotiated.
- The External Auditor acknowledged that in regard to the incorrect capitalisation of revenue, although both revenue and capital were defined by accounting regulations, there were some grey areas that most of the audit work in this area concentrated upon. The Director of Finance and Commercial Services provided reassurance that the County Council's own procedures on this issue were sound and previous audit reports had provided no cause for concern.

8.3 The Committee considered the report and **RESOLVED** to **agree**:

- The plans to conclude the annual statement of accounts audit and their approval.

9.1 The Committee received the annexed report (9) by the Executive Director of Finance and Commercial Services setting out the External Auditor's (Ernst and Young) Norfolk Pension Fund Provisional Audit Results Report for consideration of matters which may be raised by the Council's external auditors.

9.2 Debbie Hanson, External Auditor from Ernest Young LLP gave a verbal update and advised:

- There had been no change in the materiality calculation and the level of £49m at planning stage was deemed appropriate. Performance materiality also remained unchanged at £36.8 million.
- There was still some outstanding work with regard to the going concern assessment and disclosure to complete the audit process.
- There were no uncorrected audit differences uncovered and a limited number of minor audit disclosure differences in the financial statements, which have been amended.
- Work on identified fraud risks during the planning stage had been completed with no significant issues arising.
- Risks concerning change of custodian, valuation of complex investments and actuarial value of promised retirement benefits had all been examined with no significant issues to report.
- Additional disclosures have been requested regarding a £43m differential in the valuation of the pension fund, although this was not considered to be a material concern.

Alex Younger, Head of Funding and Investment, added that the report would also be considered at the next Pensions Committee meeting. In addition, some concerns had arisen around negative cash flows from the fund, driven mainly by higher inflation rates pushing up increases in benefits. The forecast predicted the first cycle of negative cash flow would take place in 2024, although this would only happen if inflation remained stubbornly high and any workforce cuts of 10% or more reduced the pensionable payroll. This latter point was considered to be unlikely to happen because of the diversity of the portfolio of employers engaged with the pension fund.

9.3 The Committee considered the report and **RESOLVED** to agree:

The plan to conclude the audit; where that results report is presented to the Pensions Committee later this year for their consideration to allow the Pensions Committee to make final recommendation that the draft financial statements for the Norfolk Pension Fund be approved/not approved by the Governance and Audit Committee, before Ernst & Young issue their audit opinion.



## **10. Yearly Update of the Audit Committee 2021-22**

10.1 The Committee received the annexed report (10) by the Executive Director of Finance and Commercial Services which summarises the work of the Audit Committee for year end 31 March 2022.

10.2 Adrian Thompson, Assistant Director of Finance (Audit) presented the report and advised that a full programme of work has been undertaken by the committee during the year including reports from Executive Directors, the Monitoring Officer, and the Senior Information Risk Officer as well as regular updates from the Risk Management Officer and Investigations teams. Topics covered had been broad and far reaching, from the Census 2021 to consideration of the failure of adult social care providers. The committee had demonstrated a high degree of performance against good practice principles set out in Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines.

10.3 In response to a question from members it was acknowledged that a return visit by the Office for National Statistics was planned and had been scheduled within the work programme for the first meeting of 2023.

The Committee considered the report and **RESOLVED** to agree:

- that the arrangements are satisfactory and note that the Committee has terms of reference which are consistent with guidance and best practice:
- the key messages on the [CIPFA's position statement](#) for 'wider roles' reported on in October 2021 have been actioned
- the two-stage approach to engage member input into the CIPFA 'assessment tool – evaluating effectiveness', in particular appendix E of the toolkit.

## **11 Norfolk Audit Services Report for the Quarter ending 30 September 2022**

11.1 The Committee received the annexed report (11) report by the Executive Director of Finance & Commercial Services updating it on the overall opinion on the effectiveness of risk management and internal control and setting out the work to support the opinion and any matters of note.

11.2 The committee were advised by the Chief Internal Auditor that :

- Any deferred or cancelled audits were risk assessed with priority given to key topic areas.
- The monitoring of recommendations from previous audits undertaken was continuing to work well using the software introduced to ensure no lapses could go undetected.
- Health and Safety compliance checks at schools were actively being pursued to ensure robust action plans were being put in place.

11.3 The Chief Internal Auditor committed to reporting back to members regarding the need for Children's Services to contact non Building Maintenance Partnership schools regarding outstanding fire checks identified in the sample testing. In addition, it was requested for further detail regarding the stages of

progress in relation to the outstanding recommendations was provided in future reports.

11.4 The Committee considered the report and **RESOLVED** to **agree**:

- the key messages featured in this quarterly report, that the work and assurance meet their requirements and advise if further information is required.

## 12. **Norfolk Audit Services' Terms of Reference (Charter) and Code of Ethics 21/22**

12.1 The Committee received the annexed report (12) by the Executive Director of Finance and Commercial Services presenting the revised terms of reference and code of ethics.

12.2 The Committee considered the report and **RESOLVED** to **agree**:

- the NAS Terms of Reference (Charter) as set out in **Appendix A**, and the Code of Ethics as set out in **Appendix B** of this report.

## 13. **Risk Management Quarterly Report to November 2022**

13.1 The Committee received the report by the Executive Director of Finance and Commercial Services referencing the corporate risk register as it stood in November 2022, following the latest review conducted during October 2022

13.2 In introducing the report, the Risk Management Officer highlighted those risks which had been updated and agreed by Cabinet.

13.3 The following changes were noted:

### New risks

#### **RM035 - Inflationary pressure on revenue and capital budgets**

A new corporate risk had been agreed by Cabinet to capture the risk of inflationary pressure on revenue and capital budgets.

#### **RM036 - Environmental Policy**

A new corporate risk had been agreed by Cabinet to capture the risk of not delivering the key objectives of the NCC environmental policy.

### Score changes

#### **RM003b - Information and cyber security requirements**

There was an increase of the current impact score of this risk from 3 to 4, increasing the current overall risk score from 9 to 12.

### Risk scope change

#### **RM027 – myOracle**

There is a scope change to this risk, following the movement in time from a pre- go-live environment to a post- go-live environment. The nature of the risk had subsequently changed

### Risk closure

### **RM026 - Legal challenge to procurement exercise**

This risk had been closed, given that mitigations have now been implemented as far as possible, minimising the possibility of a legal challenge to a procurement exercise.

13.4 In response to member's questions it was noted:

- **Risk RM027.** The new myOracle system, whilst suffering some very minor issues initially with payments of suppliers and salaries was now performing in line with expectation. The system processes 20,000 transactions a month and a very small proportion of these require manual intervention.
- The District Councils carry the statutory duties of providing temporary and permanent accommodation for anyone homeless. However, support and guidance were provided by the County Council to ensure programmes, such as housing Ukrainian refugees, was successful.
- The County Council has a prudent position currently in respect of reserves. These are held in three forms – earmarked reserves for capital projects or grants, business reserves for departmental draw down if required and general fund reserves of £25m, which is budgeted for at 5% of the net budget.
- The Executive Director of Finance and Commercial Services agreed to revisit the references in the risk register concerning Covid. The position had fundamentally changed and some legacy references could now be updated or removed.

The Committee considered the report and **RESOLVED** to **agree**

- a. key messages as per paragraphs 2.1 and 2.2 of this report
- b. key changes to the corporate risk register (**Appendix A**);
- c. corporate risk heat map (**Appendix B**);
- d. generic corporate risks (**Appendix C**);
- e. background Information (**Appendix D**);
- f. information in this report is sufficient.

## **12 Audit Committee Work Programme**

12.1 The Committee received the report by the Executive Director of Finance & Commercial services.

12.2 The Committee considered and **noted** the report and **agreed** to the programme. The date for the training session of the annual accounts would be agreed and circulated in due course.

**The meeting ended at 11.31 pm**



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# **Audit and Governance Committee**

**Item No:5**

**Decision making report title: Norfolk Audit Services Report for the Quarter ending 31 December 2022**

**Date of meeting: 13<sup>th</sup> March 2023**

**Responsible Cabinet Member: N/a**

**Responsible Director: Simon George, Executive Director of Finance and Commercial Services**

**Is this a key decision? No**

## **Executive Summary**

The Section 151 Officer has a duty to ensure there is proper stewardship of public funds and relevant regulations are complied with.

The committee are responsible for monitoring the adequacy and effectiveness of the systems of risk management and internal control, including internal audit, as set out in its Terms of Reference, which is part of the Council's Constitution.

The Council has an approved Strategy, 'Better Together, for Norfolk 2021-2025' setting out a clear set of priorities. Internal Audit's work will contribute to these priorities through the activity set out in the detailed Corporate Delivery Plan that is aligned to the medium-term financial strategy.

The Chief Internal Auditor reviews the effectiveness of the system of internal control, including risk management, throughout the year and reports annually to the Audit Committee. The Chief Internal Auditor reports that, for the quarter ended 31 December 2022 the system of internal control, including the arrangements for the management of risk was acceptable and therefore considered sound.

## **Recommendations**

**To consider and agree: -**

- **the key messages, that the work and assurance meet their requirements and advise if further information is required.**

### **1. Background and Purpose**

- 1.1 The Council must undertake sufficient internal audit coverage to comply with the Accounts and Audit Regulations (England) 2015, as amended. The allocation of audit time was based on a risk assessment, and this is continuously reviewed throughout the year.
- 1.2 This report supports the remit of the Committee in providing proactive leadership and direction on audit, governance and risk management issues. The purpose of this report is to update the Committee on the progress with the delivery of the internal audit work and to advise on the overall opinion on the effectiveness of risk management and internal control. The report sets out the work to support the opinion and any matters of note.

## 2. Proposals

- 2.1 The Committee are recommended to consider and agree: -
- the key messages below
  - that the work and assurance meet their requirements and advise if further information is required.

- 2.2 The key messages are as follows: -

### Opinion

This quarterly NAS report confirms that the overall opinion on governance, internal controls and risk management remains acceptable.

### 2022/23 Opinion work

- **Appendix A** details the final reports Issued in the quarter ending 31 December 2022.
- **Appendix B** details all grants certified for the year up to the quarter ending 31 December 2022.

- 2.3 Our current cumulative position, as at 31 December 2022, for 2022/23 audits is shown in the table below. This is considered satisfactory at this stage of the year.

Status	Number
Final reports and Management Letters	9
Work in Progress	18
Cancelled or deferred	9
<b>Total audits</b>	<b>36</b>

Cancelled audits: -

- No further audits have been cancelled since last committee reporting.

Deferred audits into 2023/24

- No further audits have been deferred since last committee reporting.

Grant Certifications

- 2.4 The grant certifications completed up to the end of quarter 3 are detailed in **Appendix B**. All the required grant certifications have been completed on time.

Traded Full School Audits

- 2.5 Ten such audits were completed from September - December 2022, as listed in **Appendix A**. We currently have eight planned for the Spring term - January to March 2023.

Norfolk Pension Fund

- 2.6 One audit has been completed and one is in progress. The other two audits will be performed in Q4 as planned.

Staffing

- 2.7 During the quarter, one staff member, a Senior Auditor resigned. This post was recruited to and resulted in the internal movement of an Auditor into this post.
- 2.8 A new Trainee Auditor commenced in September 2022 and has started their Level 4 apprenticeship in internal auditing.

2.9 Our two Apprentice Internal Audit Managers continue to progress through their Level 7 apprenticeship exams and practical experience worklogs. Both are on track to complete their apprenticeships next year which includes exams, work experience and end point assessments.

2.10 Our other Trainee Auditor completed their level 4 apprenticeship in internal auditing in October 2022 and has been promoted to Auditor.

#### Overall Opinion

2.11 This quarterly NAS report confirms that the overall opinion on governance, internal controls and risk management remains acceptable.  
(N.B.: - three descriptors can be used for our overall annual opinion: acceptable – green, key issues to be addressed – amber and key issues to be addressed – red)

#### Progress with the implementation of agreed recommendations

2.12 Twenty-three audits which contained high or medium priority findings have reached final report stage and the progress of implementing the recommendations for these audits is actively being monitored. The recommendations for 11 of these audits have now been implemented and closed. See the table below for further information.

	Number
Total number of recommendations being monitored for implementation as of 31 December 2022 (a+b+c+d)	140
(a) Total number of recommendations implemented and closed - verified through management assurance	96
(b) Total number of recommendations closed – management accepts the risk	2
(c) Total number of recommendations closed – no longer applicable / alternative action taken	2



(d) Total number of recommendations in progress of being implemented	40
Audits: Total audits released for recommendation monitoring	20
Total audits where <u>all</u> the recommendations have been implemented and closed	11

2.13 Email notifications are sent seven days before the due date and then every seven days thereafter after until we close the recommendation as implemented.

2.14 There are robust action plans for 14 recommendations which have passed their due date for implementation, which we are specifically focusing on at present as follows: -

- DSE Assessments (Key Issues Red) (Due date was 31<sup>st</sup> July 2022 for 10 recommendations) – progress is being monitored to ensure resolution.
- Follow Up Transforming Care Programme (Due date was 1<sup>st</sup> November 2022 for one recommendation) – a new due date has been agreed for this recommendation as the end of March 2023. This recommendation is taking some time as the oversight and timescales for the actions for this recommendation are overseen by the Norfolk and Waveney Learning Disabilities and Autism Board and are beyond our control.
- Health and Safety Statutory Compliance Checks at Schools (Key Issue Red) (Due dates were end of September for two recommendations) - a new due date of 28 February 2023 has been agreed for one recommendation to allow a conversation to take place with the Health, Safety & Wellbeing Manager and for the other, email confirmation from the two schools has now been sought and received regarding the outstanding fire checks.
- Health and Safety Standards of 3<sup>rd</sup> Party Providers (Key Issues Red) Due date was 5<sup>th</sup> September 2022 for one recommendation) - A new due date of 1<sup>st</sup> March 2023 has been agreed for this recommendation to allow changes to procedures and a technical solution to be developed.

- 2.15 In addition to this, there is a robust action plan for one recommendation in relation to the Bridges audit, in respect of railway bridge inspections, which has been extended to 31 March 2023 (initially set at 31 December 2021 then extended to 30 November 2022) to reflect the difficulty the Bridges Team has had obtaining access to the railway bridges to carry out the inspections. The Bridges Team and our partner organisation WSP, have been liaising closely with Network Rail and have recently completed another 3 inspections. In addition, we have submitted to Network Rail planned inspection dates for all 9 remaining inspections over the coming months. These dates are yet to be confirmed by Network Rail's Possessions Team, and it should be noted that Network Rail can still cancel possessions at short notice even after they have been booked in and confirmed. A follow up of the Bridges audit is being carried out by NAS in March 2023 and confirmation in respect of this one outstanding recommendation will be obtained then.

#### Data analytics

- 2.16 As part of ongoing development, the team have been trained in PowerBi and are now using this where we can within audits. A Data Analytics Strategy will be prepared for 2023-24 to further develop how we resource and deploy this.

#### France Channel England (FCE)

- 2.17 For further information please refer to this website:  
[www.channelmanche.com/en/programme/about-the-programme/](http://www.channelmanche.com/en/programme/about-the-programme/)
- 2.18 Following the UK Government's EU (Withdrawal Agreement) Bill i.e. "Brexit", the programme is guaranteed to continue until its natural conclusion in line with the Cooperation Programme. Within the Council, a Project Board has been set up to oversee the management of risks this initiative generates for the authority.
- 2.19 The Audit Authority reports to the Committee on progress made against the audit strategy and audit plan. Should significant issues arise and fail to be resolved with regards to the management and control system, these would be reported to the Committee. The annual report for 1/7/2021 to 30/06/22 was unqualified.
- 2.20 The programme also has its own governance arrangements involving Member States and EC representatives. There is satisfactory progress of the Audit Authority work for the France Channel England Interreg Programme. The European Commission continues to be satisfied with

the timeliness and quality of the work undertaken by the Audit Authority and reports submitted.

### Other

- 2.21 Internal Audit's mission is to enhance and protect organisational value by following Public Sector Internal Audit Standards (PSIAS). An independent external quality assessment (EQA) of how the Public Sector Internal Audit Standards (PSIAS) are being met by us is required every five years. The Institute of Internal Auditors have just completed an independent EQA of our function, and the assessment is that the internal audit function 'generally conforms'. More details of the results and the agreed actions for four recommendations will be reported to the Committee in due course.

### Anti-Fraud and Corruption, Whistleblowing and Money Laundering Reporting Officer

- 2.22 The Head of Legal Services (from 1<sup>st</sup> January 2023) and Chief Internal Auditor champion the Anti- Fraud and Corruption policy and the Whistleblowing Policy. It is their role to ensure the implementation, integrity, independence and effectiveness of the policy and procedures. The Corporate Select Committee have recommended to Council that the Chief Internal Auditor (formally Deputy MLRO) will take over the role of Money Laundering Reporting Officer.

- 2.23 During the quarter:
- The Investigative Auditor has continued to pursue and liaise with enforcement agencies in respect of ongoing cases.
  - Resources to progress internal investigations continue to be a priority.
  - A review of the Norfolk Assistance Scheme is ongoing.
  - There are no new fraud related referrals to report.
  - There has been one minor theft reported to the Police due to a vending machine being broken in to in a public space.
  - There have been no Suspicious Activity Reports (SAR)
  - There have been two new Whistleblowing disclosures which are being evaluated.

- 2.24 A question was asked at the last Committee meeting for further information regarding financial recoveries and savings made from the National Fraud Initiative (NFI) 2020-2022 Exercise. As reported the exercise resulted in savings and recoveries of up to £400,000 for the Council.

For the information of the Committee, the split between savings and recovery can be quantified as:

- £30,589 in adult social care over payments due to variances in recorded dates of death and duplicate payments. The identification resulted in the full recovery of the funds.
- Aside from some nominal amounts, the remainder was regarding future savings made as a result of identifying deceased person records where rollover services are provided by the Council such as: age related Concessionary travel.

(Savings calculations are provided by the cabinet office).

#### Regional Audit Committee Chairs Forum

- 2.25 During the last quarter the Forum had its third meeting on 8th November 2022 via teams. This was a remote meeting and was attended by over 45 Audit Committee Chairs / representatives. There has been positive feedback on the event. A further 'in person' meeting has been arranged for 22nd March 2023.

#### External Auditor Appointment Confirmation

- 2.26 PSAA is responsible for appointing an auditor from 2023/24 to eligible bodies that have chosen to opt into its national auditor appointment arrangements.
- 2.27 Following a consultation PSAA have confirmed the appointment of Ernst & Young LLP as external auditor of Norfolk County Council and Norfolk Pension Fund for five years from 2023/24 to 2027/28.
- 2.28 This appointment is made under regulation 13 of the Local Audit (Appointing Person) Regulations 2015 and was approved by the PSAA Board at its meeting on 16 December 2022.
- 2.29 Technical notes are at **Appendix C** for reference.

### **3 Impact of the Proposal**

- 3.1 The Accounts and Audit Regulations 2015 (as amended in 2020) require that, from 1 April 2015, the Council must ensure that it has a sound system of internal control that meets the relevant standards. The responsibilities for Internal Audit are set out in the Financial Regulations which are part of the Council's Constitution. Internal Audit follows appropriate standards (the PSIAS).

- 3.2 A sound internal audit function helps ensure that there is an independent examination, evaluation and reporting of an opinion on the adequacy and effectiveness of internal control and risk management as a contribution to the proper, economic, efficient and effective use of resources and the delivery of the County Council's Strategic Ambitions and core role as set out in the County Council's strategy 'Better Together, for Norfolk 2021-2025'.
- 3.3 The internal audit plan will be delivered within the agreed NAS resources and budget. Individual audit topics may change in year which will result in the higher risk areas being include in the plan to inform the annual audit opinion.
- 3.4 As a result of the delivery of the internal audit plan and audit topic coverage, the Committee, Executive Directors, Senior Officers and Managers have assurance, through our audit conclusions and findings, that internal controls, governance and risk management arrangements are working effectively or there are plans in place to strengthen controls.

#### **4. Evidence and Reasons for Decision**

- 4.1 Not applicable.

#### **5. Alternative Options**

- 5.1 There are no alternative options.

#### **6. Financial Implications**

- 6.1 The service expenditure falls within the parameters of the annual budget agreed by the council.

#### **7. Resource Implications**

- 7.1 **Staff:** There are no staff implications.
- 7.2 **Property:** There are no property implications.
- 7.3 **IT:** There are not I.T. implications.

## **8. Other Implications**

8.1 There are no other implications to consider within this report.

## **9. Risk Implications/Assessment**

9.1 Not applicable.

## **10. Select Committee comments**

10.1 Not applicable

## **11. Recommendations**

11.1 See Action Required in Executive Summary.

## **12. Background Papers**

12.1 None

## **Officer Contact**

If you have any questions about matters contained in this paper, please get in touch with:

**Officer name: Adrian Thompson**

**Tel no.: 01603 303395**

**Email address: [Adrian.thompson@norfolk.gov.uk](mailto:Adrian.thompson@norfolk.gov.uk)**



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**Norfolk Audit Services**  
**Final Reports Issued in the Quarter ending 31 December 2022**

**Final Reports: - Issued in Quarter 3**

**2022/23 Audit Plan: -**

**A. Opinion Work**

**1. Separation of Duties, Routewise - Key Issues – Amber**

**Robust action plans are in place to address our recommendations.  
Management were asked to: -**

- a) Ensure all variations are approved at the correct level. The Head of Passenger Transport should remind staff to follow the Scheme of Delegation.
- b) Ensure contract variations are signed as soon as possible or as close to the start date of the variation as possible.
- c) Investigate reporting capability from Routewise to enable the Head of Passenger Transport to put in place an adequate system to monitor contracts and variations with bus operators and taxi firms. If this cannot be achieved, consideration should be taken on a risk assessed basis as to whether the Routewise is fit for purpose.
- d) Put in place an appropriate Scheme of Delegation for modifications that also considers the effect of the modification to the contract in terms of the total cost and not just price per pupil.
- e) Ensure the Scheme of Delegation includes a culminative threshold for variations over life of contract, where the next level of approval is required thereafter.

**Last date for implementing actions: - 31 March 2023**

**2. Financial Assessments – Key Issues – Red**

**Robust actions plans are in place to address our recommendations.  
Management were asked to: -**

- a) Update the Financial Assessment Procedure manual and any other associated procedures/guides to reflect agreed current practice. The updates should provide clear guidance to staff completing the financial assessment on what information must be obtained, what checks must be completed, what evidence must be recorded to support the final client contribution as a result of the financial assessment. The Financial Assessment Procedure manual should include any

discretionary action that can be taken, such as reliance on DWP checks having been made for means tested benefits. Staff training on updated procedure and requirements should be given as necessary. The service should set and agree standards for what is deemed sufficient detail to be clearly recorded in Controcc notes, or sharepoint to support the financial assessment. These standards should be promoted to the team, training provided where necessary and compliance monitored going forward as part of the quality checks.

- b) Ensure that where assumptions, for example Care Act discretions or management approval, have been used in completion of the financial assessment these should be clearly recorded in the Controcc notes.
- c) Give urgent consideration to how the process for monthly quality checks (QCs) can be strengthened to ensure that they are sufficient, in number and quality, to demonstrate that financial assessments are completed in accordance with policies and procedures, and that ultimately client contributions are calculated and recharged correctly. This consideration should include the feedback process, training needs, performance management if required and implementation of actions to be taken from the QCs.
- d) Ensure formal monitoring of quality checks is completed to ensure the team are meeting expectations in terms of number and quality, and that corrective action as a result of the quality checks is being undertaken timely. This includes reviewing quality check (QC) forms to ensure they record sufficient detail with regards who undertook the QC, who fed back and confirmation by the SFAA that they have taken corrective action where relevant.
- e) Consider recording any changes to client contribution as a result of the quality check (QC) to analyse the value of under or over contributions that has been prevented as a result of the QC as this may help inform practices going forward.
- f) Agree, on a risk assessed basis, whether previously completed quality checks (QCs) should be examined to ensure that corrective action has been taken to ensure that financial assessments are completed correctly.
- g) Agree a cut-off date at which cases recorded on the benefit holding sheet (BHOSS) should be included and reviewed as part of the backlog project currently being completed. Any cases added to the BHOSS after this date should be processed as business as usual within the 4 month review date to ensure that there are no delays in reviewing new cases on the BHOSS.
- h) Undertake a cost benefit analysis to understand the potential lost income/increased costs to the Council by not including unclaimed benefits within the initial financial assessment calculation for non residential care assessments.
- i) Consider undertaking a time, motion and cost benefit analysis to understand the cost associated with the resource intensive, manual process undertaken to identify unallocated cases and whether in the



long term it may be beneficial to cover the cost of Controcc support to provide a more efficient process for allocating financial assessments.

- j) Explore how the correct date can be drawn through into the calculation and reporting of the meeting of the 28 day KPI target.
- k) Ensure that a statement is added to the online financial assessment form (OFA), the FIN form and all letters advising clients, or their representative of the obligation to declare all financial information, and that if later found not to be complete may result in the collection of any underpayment.
- l) Ensure that Controcc notes sufficiently record and demonstrate that a conversation has been held with the client or their legal representative regarding the client's legal obligation to declare all financial information at the time of calling the client or their legal representative to advise of the financial assessment outcome.
- m) Consider undertaking a cost benefit exercise to understand the outcomes of reassessments based on the cost and benefits of reassessments to inform the re-assessment approach going forward (i.e., in favour of NCC or the client).

**Last date for implementing actions: - 31 March 2023**

### **3. Separation of Duties, Mayrise – Acceptable**

- 4. Follow-up Social Impact Bond** - all but one previous recommendations actioned, with a clear plan for the one remaining recommendation to be fully actioned.

**This has now been completed and the recommendation closed.**

**A. Traded Full School Audits** – audits have been completed at the following schools: -

- a) Denver Primary School
- b) Terrington St Clement Community School
- c) West Earlham Junior School
- d) Reedham Primary and Nursery School
- e) Sprowston junior School
- f) Suffield Park Infant and Nursery School
- g) Acle St. Edmund Primary School
- h) Dersingham Primary and Nursery School
- i) Swallowtail Federation
- j) Aylsham Learning Federation

**B. Management Letters /Non opinion audit reports Issued**

- a) Norfolk Museums Service - Advisory work on security controls at the Collection Centre.
- b) Panel Process – Advisory work on the County Panel process.

**C. Norfolk Pension Fund**

- a) Member Benefits Payments - Acceptable

## Appendix B

### All grants certified for the year up to the quarter ending 31 December 2022

LGA	EU	Other
Fire (July 22)	PROWAD (P/e Jul 22)	Norse (P/e March 22)
Transforming Care (June 22)	FACET (P/e May 22)	Supported Families (P/e Jun 22)
CES (September 22)	Mobi-Mix (P/e May 22)	Supported Families (P/e Sep 22)
LA Bus Subsidy (September 22)	Monument (P/e May 22)	Police & Crime Panel (P/e March 22)
LGA Covid Recovery Fund – community Testing	Mobi-Mix (P/e Sept 22)	Sheringham Community Primary School – Teaching School Core Grant
Traffic Management (September 2022)	Monument (P/e Nov 22)	Police & Crime Panel (P/e August 22)
Dedicated Home to School and College Transport	Catch (Final claim P/e Nov 22)	BDUK (Q4 2012/33)
Disabled Facilities Grant (Oct 22)	FACET (P/e Nov 22)	Norse (P/e Sept 22)
	FACET OTS	Supported Families (P/e Dec 22)
	Mobi-Mix OTS	
	Monument OTS	
	Endure OTS	

### Technical Notes

#### Work to support the opinion

Our work contributes to the Local Service Strategy (page 5) and the Finance and Commercial Services Department functions for Finance and Risk Management (page 7). Internal Audit's role is described on page 12 of that plan.

My opinion, in the Executive Summary, is based upon:

- Final reports issued in the period (**Appendix A**)
- The results of any follow up audits
- The results of other work carried out by Norfolk Audit Services; and
- The corporate significance of the reports

#### Audits of Note

No audits of note were completed during the period.

#### High Priority Findings

The progress with resolving the High Priority Findings is acceptable. A more robust process has been put into place to ensure NAS undertake follow up audit work on High Priority Findings which should result in speedier sign off of these. Previously reliance was placed on departmental owner's confirmation that satisfactory action has been taken.

# Audit and Governance Committee

Item No: 6

**Report Title: Risk Management**

**Date of Meeting: 13<sup>th</sup> March 2023**

**Responsible Cabinet Member: N/A**

**Responsible Director: Simon George, Executive Director – Finance and Commercial Services**

**Is this a Key Decision? No**

**If this is a Key Decision, date added to the Forward Plan of Key Decisions: N/A**

## **Executive Summary**

This quarterly report references Norfolk County Council's corporate risk register as it stands in March 2023, using risk data that was presented within the risk management report to Cabinet in January 2023.

This report sets out the key corporate risk management messages, agreed at the January Cabinet meeting following the review of corporate risks over the third quarter of 2022/23.

Corporate risks continue to be monitored and treated appropriately in line with the Council's risk management framework, with risk-based decisions supporting the Council's delivery of its additional support throughout winter to citizens, and the Full Council-agreed strategy Better Together, For Norfolk.

A summary of significant changes to corporate risks since they were last reported to this Committee has been included in **Appendix A** for information purposes. The latest corporate risk heat map for the corporate risk register is included in **Appendix B** providing a visual summary of corporate risks. Full details of the current corporate risks are included in **Appendix C**, including further explanation on risk scoring. Background information to the report to aid Members understanding of the risk management detail is included at **Appendix D**.

## **Recommendations:**

To consider and agree the latest:

- a. key messages as per paragraphs 2.1 and 2.2 of this report
- b. key changes to the corporate risk register (**Appendix A**);

- c. corporate risk heat map (**Appendix B**);
- d. corporate risks (**Appendix C**);
- e. background Information (**Appendix D**);
- f. information in this report is sufficient.

## **1. Background and Purpose**

- 1.1 One of the Committee's roles is to consider the effectiveness of the Council's risk management. The purpose of this report is therefore to provide assurance on the effectiveness of risk management and the corporate risk register as a tool for managing the biggest risks that the Council faces, helping the Committee undertake some of its key responsibilities. Risk management contributes to achieving corporate objectives and is a key part of the Council's performance management framework.
- 1.2 The Council's corporate risks were last reported to, and agreed by, Cabinet on 11<sup>th</sup> January 2023. Prior to reporting these risks, they have been reviewed and updated wherever there is additional mitigation progress or additional risk information to report by risk reviewers on behalf of the risk owners, and presented to the Council's Corporate Board for additional scrutiny and discussion.

## **2. Proposal**

- 2.1 The key general risk messages are as follows:
  - That corporate risk management continues to be sound and effective, working to best practice, and continues to support the Council's strategic objectives.
  - The review and updating of corporate risks has taken place with risk reviewer's input, then presented to the Corporate Board for additional scrutiny.
  - Whilst we continue to live with the lasting effects of the COVID-19 pandemic, the risk progress narratives in Appendix C have been updated, removing any outdated references to COVID-19 to take into account that we are now in a recovery phase from the pandemic.

2.2 The key specific corporate risk messages are as follows:

Escalated risks

**RM037 – NFRS industrial action**

**RM038 – ASSD Recovery from the Covid-19 pandemic**

**RM039 – ASSD Financial, staffing & market stability impacts due to implementation of social care reform**

**RM040 – ASSD Assurance implementation**

Risk closure

**RM023 - Changes to demography, funding, and government policy**

The three escalated risks (RM038 – 40) to corporate level above are being put forward to replace risk RM023, as they better reflect the key current risks to the Adults Social Services department that are corporately significant.

Risk RM038 sets out the risk of not having sufficient time and staffing resource in operational teams to focus on recovery actions, leading to the risk of harm to service users being unaddressed. RM039 sets out the financial, resourcing / staffing, and market stability risks associated with the implementation of social care reform, and RM040 reflects the implications of not meeting the desired rating of Good (or better) from a Care Quality Commission inspection.

Further information on the specific risk changes listed above in 2.2 can be found in **Appendices A and C**.

Corporate Risk Cabinet Portfolio Holders

There are changes to some of the corporate risk Portfolio Holders of the corporate risks. The risks affected are as follows;

Risk	Previous Cabinet Portfolio Holder	New Cabinet Portfolio Holder
RM001 - Infrastructure funding requirements	Cllr. Graham Plant	Cllr. Fabian Eagle
RM022b – EU Transition	Cllr. Graham Plant	Cllr. Fabian Eagle
RM024 - Great Yarmouth Third River Crossing (3RC)	Cllr. Martin Wilby	Cllr. Graham Plant
RM033 – Norwich Western Link Project	Cllr. Martin Wilby	Cllr. Graham Plant

### 3. Impact of the Proposal

- 3.1 The key changes regarding risks RM038 – RM040 above reflect more closely the largest risks that are affecting the Adult Social Services department that have corporate significance for the wider council. These include the introduction of RM038, which sets out the risk of not having sufficient time and staffing resource in operational teams to focus on recovery actions, leading to the risk of harm to service users being unaddressed. RM039 sets out the financial, resourcing / staffing, and market stability risks associated with the implementation of social care reform, and RM040 reflects the implications of not meeting the desired rating of Good (or better) from a Care Quality Commission inspection.

### 4. Evidence and Reasons for Decision

- 4.1 Not applicable, as no decision is being made.

### 5. Alternative Options

- 5.1 There are no alternative options identified.

### 6. Financial Implications

- 6.1 There are financial implications to consider, which are set out within the risks at **Appendix C**. The budget for this financial year 2022-23 was set and agreed by Full Council in February 2022, following consultation. Mitigations supporting the controlled treatment of the risk of the potential failure to manage significant reductions in local and national income streams are set out in risk RM002, and the corporate risk covering the impact of rising inflation is set out in risk RM035.

### 7. Resource Implications

- 7.1 **Staff:** There are staffing resource implications to consider as part of risk **RM029 - Critical skills required for the organisation to operate effectively**.
- 7.2 **Property:** Work continues to be undertaken by the Smarter Working Programme to ensure that colleagues now working full- or part-time from the office can do so with safety and comfort. Our hubs have been transformed into



modern work and collaboration spaces, with colleagues able to work effectively, minimising the risk of connectivity issues thanks to a Wi-Fi upgrade covering 600 points across the physical office network that IMT and the Corporate Property Team have installed in almost 200 of our sites.

- 7.3 IT:** The Council's Information Management Technology team closely monitor cyber security threat levels, and continue to roll out the technological advances and IMT training that are helping Members and officers to carry out their duties effectively. Measured steps are being taken within IMT to address any potential increased cyber threat to Norfolk County Council as a result of the ongoing geo-political conflict in Ukraine. **Risk RM003b - Information and cyber security requirements** continues to address this risk.

## **8. Other Implications**

- 8.1 Legal Implications:** There are no specific legal implications to consider within this report.
- 8.2 Human Rights Implications:** There are no specific human rights implications to consider within this report.
- 8.3 Equality Impact Assessment (EqIA) (this must be included):** None applicable.
- 8.4 Data Protection Impact Assessments (DPIA):** None applicable.
- 8.5 Health and Safety implications (where appropriate):** As per paragraph 7.2 above, health and safety considerations are at the forefront of the work being carried out to ensure that staff are working in the safest possible environment.
- 8.6 Sustainability implications (where appropriate):** There are no specific corporate level sustainability implications to consider within this report other than to note corporate risk **RM036 – Environmental Policy** covering the risk of not delivering the key objectives of the NCC environmental policy, which incorporate sustainability.
- 8.7 Any Other Implications:** There are no other risk implications to consider within this report that are not already addressed.

## 9. Risk Implications / Assessment

- 9.1 The risk implications are set out in the report above, and within the risks themselves at **Appendix C**.
- 9.2 The council's Risk Management Policy and accompanying procedures will shortly be reviewed to ensure they are refreshed as appropriate to continue to reflect industry best practice. Both the policy and procedures will be reported as part of the risk management report to Cabinet and the Audit Committee in due course.

## 10. Select Committee Comments

- 10.1 There are no recent risk-based comments from the Select Committee to report.

## 11. Recommendations

To consider and agree the latest:

- a. key messages as per paragraphs 2.1 and 2.2 of this report
- b. key changes to the corporate risk register (**Appendix A**);
- c. corporate risk heat map (**Appendix B**);
- d. corporate risks (**Appendix C**);
- e. background Information (**Appendix D**);
- f. information in this report is sufficient.

## 12. Background Papers

- 12.1 The Cabinet risk management report of January 2023 can be found [here](#) (pp. 77 – 122).

### Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

#### Officer name:

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The explanation for the key changes to corporate risks is as follows;

### Escalated risks

#### **RM037 – NFRS industrial action**

This risk accounts for the likely industrial action by some Norfolk Fire and Rescue Service staff. The risk itself accounts for the mitigations and the planning work going ahead for any industrial action going ahead.

#### **RM038 – ASSD Recovery from the Covid-19 pandemic**

RM038 sets out the risk of not having sufficient time and staffing resource in operational teams to focus on recovery actions, leading to the risk of harm to service users being unaddressed, and notes the recovery plans in place for all places, with weekly monitoring of progress by the Recovery and Oversight Group.

#### **RM039 – ASSD Financial, staffing & market stability impacts due to implementation of social care reform**

RM039 considers the financial, staffing, and market sustainability impacts of implementing social care reform, and notes the modelling and impact analysis being carried out to understand what the exact impacts will be on Norfolk County Council.

#### **RM040 – ASSD assurance implementation**

RM040 reflects the implications of potentially not meeting the desired rating of Good (or better) from a Care Quality Commission inspection, noting the mitigating work of the Performance Improvement Group in place to drive quality improvements to ensure that this risk is reduced.

### Risk closure

#### **RM023 - Changes to demography, funding, and government policy**

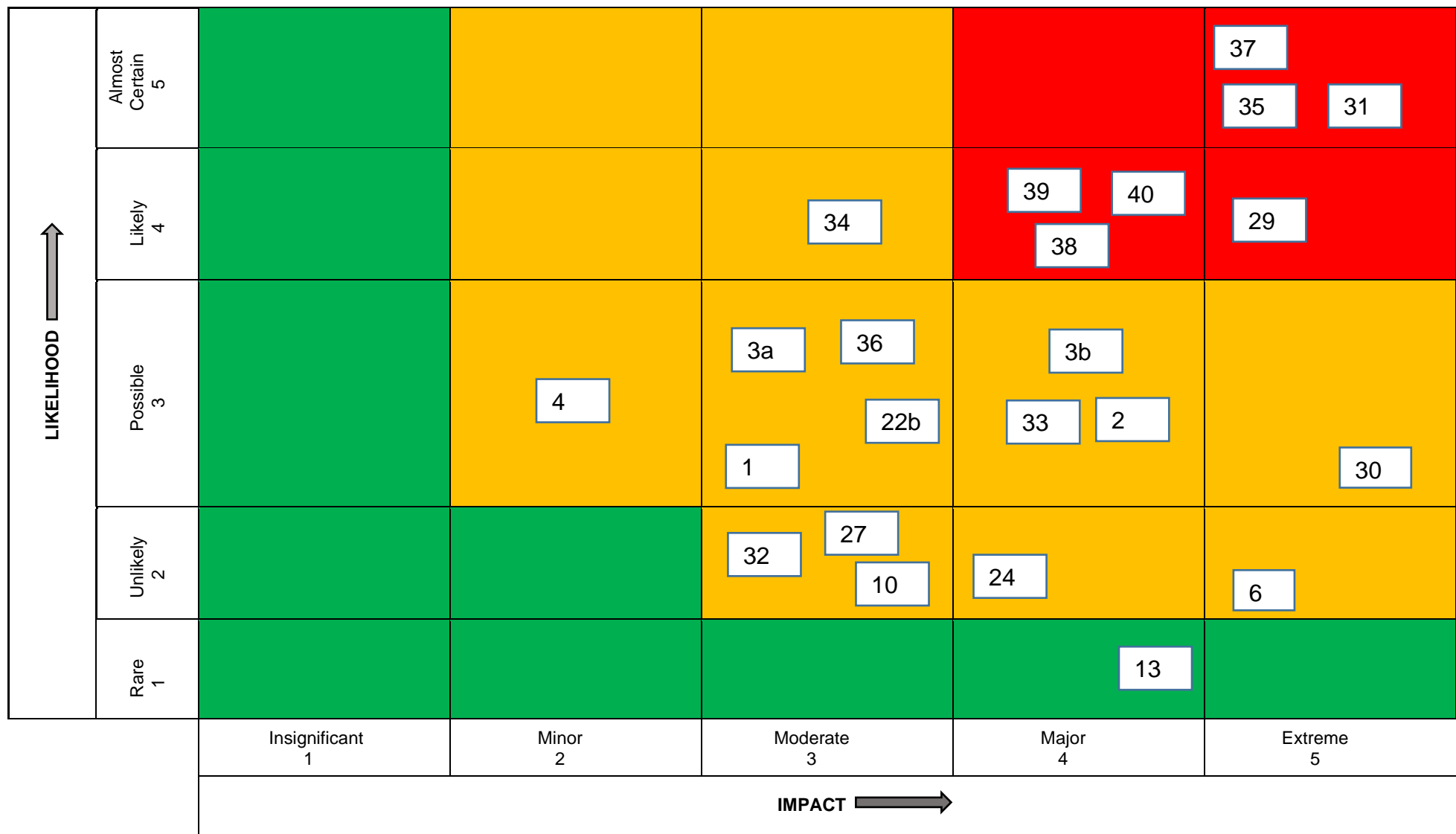
The three escalated risks for Adult Social Services (RM038 – 40) are being put forward to replace risk RM023, as they better reflect the key current risks to the Adults Social Services department that are corporately significant.

### Corporate Risk Cabinet Portfolio Holders

There are changes to some of the corporate risk Portfolio Holders of the corporate risks. The risks affected are as follows;

Risk	Previous Cabinet Portfolio Holder	New Cabinet Portfolio Holder
RM001 - Infrastructure funding requirements	Cllr. Graham Plant	Cllr. Fabian Eagle
RM022b – EU Transition	Cllr. Graham Plant	Cllr. Fabian Eagle
RM024 - Great Yarmouth Third River Crossing (3RC)	Cllr. Martin Wilby	Cllr. Graham Plant
RM033 – Norwich Western Link Project	Cllr. Martin Wilby	Cllr. Graham Plant

## Corporate Risks - Heat Map

**Key**

= Risk score increase



= no score change



= risk score decrease

No.	Risk description	No.	Risk Description
RM001	Infrastructure funding requirements	RM032	Capacity to manage a large or multiple incidents or disruptions to business
RM002	Income streams	RM033	Norwich Western Link Project
RM003a	Information compliance requirements.	RM034	Supply Chain Interruption
RM003b	Information and cyber security requirements	RM035	Adverse impact of significant and abnormal levels of inflationary pressure on revenue and capital budgets
RM004	Contract management for commissioned services.	RM036	Environmental Policy
RM006	Service delivery	RM037	NFRS industrial action
RM010	Loss of key ICT systems	RM038	ASSD recovery from the Covid-19 pandemic
RM013	Governance protocols for entities controlled by the Council.	RM039	ASSD financial, staffing & market stability impacts due to implementation of social care reform
RM022b	EU Transition	RM040	ASSD assurance implementation
RM024	Great Yarmouth Third River Crossing (3RC)		
RM027	myOracle		
RM029	Critical skills required for the organisation to operate effectively		
RM030	Non-realisation of Children's Services Transformation change and expected benefits		
RM031	NCC Funded Children's Services Overspend		

Risk Number		RM001				Date of update		30 November 2022		
Risk Name		Infrastructure funding requirements								
Portfolio lead		Cllr. Fabian Eagle				Risk Owner		Tom McCabe		
Risk Description					Date entered on risk register			03 June 2019		
There is a risk of not realising infrastructure funding requirements to achieve the infrastructure ambition of the Business Plan. 1) Not securing sufficient funding to deliver all the required infrastructure for existing needs and planned growth leading to: • Congestion, delay and unreliable journey times on the transport network • A lack of the essential facilities that create attractive conditions for business activity and investment, and sustainable communities, including good connectivity, public transport, walking and cycling routes, open space and green infrastructure, and funding for the infrastructure necessary to enable the county council to perform its statutory responsibilities, eg education. Overall risk treatment: Treat										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	9	3	3	9	3	2	6	Mar-23	Amber
Tasks to mitigate the risk										
1.1) Work with other county council officers and partners including government, local enterprise partnerships and district councils to compile evidence and the case for investment into infrastructure in order to achieve success through bidding rounds for capital investment. 1.2) Identify and secure funding including Pooled Business Rates (PBR) to develop projects to a point where successful bids can be made for funding through compiling evidence and cases for investment. 1.3) Engage with providers of national infrastructure – National Highways for strategic (trunk) roads and Network Rail for rail delivery – to ensure timely delivery of infrastructure projects, and work with partners on advocacy and lobbying with government to secure future investment into the networks. 1.4) Review Planning Obligations Standards annually to ensure the county council is able to seek and secure the maximum possible contribution from developers. 1.5) Continue to build the relationship with strategic partners including elected representatives, government departments, local enterprise partnerships, regional bodies such as Transport East (the Sub-National Transport Body) and other local authorities to maximise opportunity and work together in the most effective joined-up manner. 1.6) Periodically review timescales for S106, and other, funding contributions to ensure they are spent before the end date and take action as required. Periodic reviews for transport contributions and an annual review process for library and education contributions. 1.7) Manage risk RM033, Norwich Western Link.										
Progress update										



## Progress update

1.1) Working with Transport East on strategic ambitions including on current projects and our intentions on developing future programmes. Government included NWL and LSB in list of projects to be accelerated in Growth Plan as part of 'mini-budget.'

NWL (See RM033): Outline Business Case (OBC) submitted to DfT for approval at end of June 2021. Awaiting funding confirmation.

Long Stratton Bypass: OBC approved by government July 2021. Revised planning applications from developers submitted. Issue of nutrient neutrality being considered.

West Winch Housing Access Road: Government progression to the next stage received 7 July 2022. DfT will make a contribution of £698,000 towards the costs of developing an OBC in line with our funding request.

A47/A17 Pullover Junction King's Lynn: Draft Strategic Outline Case received from WSP. Has been reviewed and progression to the next stage will now be the subject of member-decision making.

Working with partners: Continuing to work with districts and other partners on a range of infrastructure projects.

1.2) PBR funding secured for various projects including Norwich Western Link, West Winch Housing Access Road and A47/A17 Pullover Junction (see 1.1). Govt funding secured includes: £0.5m zero emission transport cities, £50m Bus Service Improvement Plan, further £1m via Active Travel Fund. County levelling-up bid for Southgates, King's Lynn submitted. Awaiting announcement.

1.3) Secretary of State granted Development Consent Orders for dualling A47 Blofield to Burlingham, N Tuddenham to Easton and Thickthorn.

A47 Alliance Task and Finish Group is developing a programme of advocacy in the run-up to RIS3 decision.

Discussing strategic ambitions with partner authorities on the Alliance.

Continuing to work with partners on Norwich to London rail, Ely Task Force and East West Rail Main Line Partnership. Working with Transport East on Transport East Rail Plan

Working with National Highways to deliver improvements at Harfreys Roundabout ahead of completing 3RC

1.4) Officers will continue to update annually the County Council's Planning Obligations Standards (2022) to ensure the council is able to seek and secure the maximum possible contribution from developers. The next update/review will begin later in the year and will need to take into account the recent significant increases in build costs associated with schools and libraries. The updated Standards will need to be agreed by members in early 2023.

1.5) Continuing to work with Transport East: Transport strategy endorsed by NCC Cabinet in November. Working with TE on additional workstreams initiated following three-year funding settlement from DfT. Liaising and attending various wider partnership groups including with DfT, Network Rail and National Highways on strategic road and rail schemes

1.6) Officers have introduced a new system of monitoring known as the Infrastructure Funding Statement (IFS) to comply with the 2010 Community Infrastructure Levy (CIL) Regulations (as amended in September 2019). This will ensure monitoring is effective, transparent and up to date. The County Council will publish its updated IFS later in the year (December) in line with the above CIL Regulations.

1.7) See risk RM033, Norwich Western Link.

Risk Number		RM002		Date of update		07 November 2022				
Risk Name		Income streams								
Portfolio lead		Cllr. Andrew Jamieson		Risk Owner		Simon George				
Risk Description				Date entered on risk register		31 May 2019				
There is a risk of failure to manage significant reductions to, or insufficient increases in, local and national income streams. This may arise from global or local economic circumstances (i.e. rising inflation), and/or government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Strategy savings required for 2022/23 - 2025/26 are not delivered because of uncertainty as to the scale of savings resulting in significant budget overspends, unsustainable drawing on reserves, and severe emergency savings measures needing to be taken. The financial implications are set out in the Council's Budget Book, available on the Council's website. Overall risk treatment:Treat										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	3	4	12	2	4	8	Mar-23	Amber
Tasks to mitigate the risk										
Medium Term Financial Strategy and robust budget setting within available resources. No surprises through effective budget management for both revenue and capital. Budget owners accountable for managing within set resources. Determine and prioritise commissioning outcomes against available resources and delivery of value for money. Regular and robust monitoring and tracking of in-year budget savings by Executive Directors and members. Regular finance monitoring reports to Cabinet. Close monitoring of central government grant terms and conditions to ensure that these are met to receive grants. Plans to be adjusted accordingly once the most up to date data has been received.										
Progress update										
County Council on 21.02.22 approved the 2022-23 budget and future Medium Term Financial Strategy 2022-26 taking into account the Final Local Government Finance settlement for 2022-23. The council's external auditors gave an unqualified audit opinion on the 2020-21 Statement of Accounts and were satisfied that the County Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31.03.2021. The implications of the COVID-19 response, coupled with continued uncertainty and the further delay of the significant planned reforms for local government finance, represents a major challenge for the Council in developing its Medium term Financial Strategy. Cabinet on 04.04.2022 considered a strategic and financial planning report for 2023-24 and budget update reports on 04.07.22 and 03.10.22. Futher reports will be presented to Cabinet during the year incorporating Government funding announcements, when known, and upates on the budget planning process in order that the County Council can agree the 2023-24 Budget and level of council tax at its February 2023 meeting.										

Risk Number		RM003a				Date of update		02 November 2022		
Risk Name		Information compliance requirements								
Portfolio lead		Cllr. Andrew Proctor				Risk Owner		Andrew Stewart		
Risk Description					Date entered on risk register			05 June 2019		
There is a risk of failing to comply with statutory information compliance requirements (e.g. under GDPR, FOI, EIR) which could lead to reputational damage and financial impact from any fines or compensation sought, and operational inefficiencies within the organisation, and loss of cooperation with external partners (eg. NHS).										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	3	12	3	3	9	2	3	6	Mar-23	Green
Tasks to mitigate the risk										
1. Mandatory Information Governance Training for all colleagues, with ongoing awareness of IG responsibilities for colleagues. 2. Information Governance Group and Steering Group occur bi-monthly 3. Detailed management information in place to monitor performance 4. Two-way relationship with ICO maintained to ensure positive working relationship 5. Focus on resource available / required to ensure consistency of service 6. Ongoing improvements underway to improve IG operational efficiency and effectiveness. 7. Working closely with IMT to exploit the technical opportunities as described in RM003b.										
Progress update										
Mandatory training for Information Governance (Data Protection Essentials) has been live since January 2021 and will be required to have been completed by all colleagues by January 2023. Completion rate continues to meet the 95% target and a workbook is in place to match the online training for non-IT users. All NCC employees and anyone accessing NCC data receive IG training.										
Information Governance Group and the escalation Steering Group comprising the SIRO, DPO, Dir IMT, Audit and Caldicott Guardians continues to meet, occuring bi-monthly to deliver a strong focus and accountability on information related matters.										
Management information continues to be developed to allow actions to be taken on activity within the team and resource to be appropriately allocated / requested. Performance remains strong in Freedom of Information Requests and Police disclosures. Subject Access Requests (SARs) remain a concern and focus remains on these and the ICO remains in discussion with us about our SAR position. A team has been created to look exclusively at SARs ensuring consistency and efficiency and we have seen										

**Progress update**

a 15% reduction in active cases since inception. We continue to look for improvements to process where possible including working with IMT to deliver technology solutions to improve performance and reduce risk.

Positive relationship with the ICO in relation to data incidents and responses to subject access request complaints which helps demonstrate a good culture towards information in NCC.

In conjunction with IMT, the Electronic Storage Programme underway to reduce risk associated with unstructured information held on Fileshares with the first migrations complete. A schedule of migrations is now planned to move departments over to the new storage, with retention labels being a key addition.

These activities will enhance many of the mitigations to a higher standard, reducing the likelihood of occurrence - the impact should anything happen would likely result in local or national media attention, depending on the severity of the issue.

Risk Number		RM003b		Date of update		01 December 2022				
Risk Name		Information and cyber security requirements								
Portfolio lead		Cllr. Tom Fitzpatrick		Risk Owner		Geoff Connell				
Risk Description			Date entered on risk register			05 June 2019				
There is a risk of failure to comply with relevant information and cyber security requirements. This would incorporate failing to comply with relevant information security and cyber requirements (e.g. Public Sector Network Assurance, NHS Data Security and Protection Toolkit, and Payment Card Industry - Data Security Standards) which could lead to operational, financial and reputation impact. Overall risk treatment: Treat										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	3	12	3	4	12	1	3	3	Mar-23	Green
Tasks to mitigate the risk										
1. Mandatory Training in place for all colleagues - ongoing										
2. Development and monitoring for breaches - ongoing										
3. Implementation of improved security measures - ongoing										
4. External networking to ensure best practice - ongoing										
5. Completing required accreditations - ongoing										
Progress update										
- Ongoing monitoring of compliance levels with mandatory training for all colleagues.										
- Implementation of improved security measures e.g. E5 Licencing										
- Involvement with National cybersecurity organisation										
- Extensive communications to NCC staff on remaining vigilant against cyber-attacks										
- Increased take up of RM003b!;										
- A simulated phishing exercise, carried out to understand where weaknesses remain;										
- Roll-out of Safe Links and Safe Attachments technology, which screens MS Office attachments and links before being opened;										
- Anti-spoofing technology software being introduced.										
Update 01/12/2022										
- PSN and other Public Sector cyber assurance will continue while new standards are developed. PSN recertification planned for Feb 2023.										
- Recent (June 2022) UK Government Accredited independent assessment of laptop configuration assessed that “the endpoints' security posture was found to be very strong.”										
- Microsoft 365 E5 “Defender for Endpoint” and “Defender for Identity” products deployed										
- Application for PCI:DSS Level 3 assessment booked for January 2023										
- Zero Trust design for laptops being rolled out, over 15% of estate completed.										
- NHS DSP Toolkit application being prepared for 2022/23										
Microsoft Insider Risk Management implementation planned Q1 2023										
Ensuring all services up to date and security patced. Retired 222 out of date servers, 1 remains.										
Risk score of 12 at present due to a number of new threats from the geo-political landscape. The impact should anything happen could result in significant operational and financial impact as well as local or national media attention, depending on the severity of the issue.										

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Risk Number	RM004					Date of update		30 November 2022		
Risk Name	Contract management for commissioned services.									
Portfolio lead	Cllr. Andrew Jamieson					Risk Owner		Simon George		
Risk Description					Date entered on risk register			02 June 2019		
There is a risk of failure to deliver effective and robust contract management for commissioned services. Ineffective contract management leads to wasted expenditure, poor quality, failure to achieve anticipated environmental or social benefits, unanticipated supplier default or contractual or legal disputes, and/or reputational damage to the Council. The council spends some £900m on contracted goods and services each year. Overall risk treatment: Tolerate										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	2	3	6	1	3	3	Mar-23	Green
Tasks to mitigate the risk										
<p>1) New governance arrangements: Stand up the Commissioning and Procurement Leadership Group to add senior rigour to contract and category management across ASS, CS and PH. Ensure similar rigour is ensured for other contracts (ie Non-Light Touch Regime/Provider Selection Regime) via working groups and DLTs. Stand up a Commercial Board for escalation and to endorse significant strategies</p> <p>2) New route for procurement pipeline - annual process with additional ad-hoc plans as they arise Approval from new Commercial Board Endorsement from Corporate Board Agreement from Cabinet</p> <p>3) Segment all contracts into Gold/Silver/Bronze according to a defined framework. Also agree where certain categories should be promoted to a higher segment than that for individual contract. Record this on contract register</p> <p>4) Agree minimum contract management requirements for each segment. Ensure these are monitored regularly at departmental DLTs</p> <p>5) Ensure that staff managing contracts participate in relevant contract management training</p> <p>6) Procure and implement a new contract management system to automate the current manual processes, and to provide a single repository of contract information which is accessible to all relevant stakeholders across both procurement and departmental commissioners/contract managers</p> <p>7) Review arrangements between commissioning departments and procurement - escalation, role boundaries, informal vs formal mechanisms</p>										
Progress update										

## Progress update

- 1) Governance structure agreed by Head of Paid Service. Terms Of Reference, Membership, Meeting Frequency etc to be in place by January 2023.
- 2) To be agreed and implemented through the Governance groups described in (1) above
- 3) Contract segmentation framework nearly finalised. Individual contract segmentation recorded on contract register.
- 4) Next step is to liaise with departmental contract owners to ensure robust contract management, and reporting of such to senior department management teams.
- 5) Contract Management Pioneer Programme available for 10 free places in early 2023. NCC has been accepted onto the programme and is identifying the most appropriate delegates. Once complete (or maybe sooner) we will consider whether additional staff would benefit from the programme - we would need to pay for further places.
- 6) Project underway to agree requirements with procurement staff and commissioning staff from Adult Social Services, Children's Services, and Public Health.
- 7) Detailed RACI almost agreed between procurement and departmental commissioners. Work planned to link departmental and procurement contract processes (first meeting December 2022).

Risk Number	RM006				Date of update		02 December 2022			
Risk Name	Service Delivery									
Portfolio lead	Cllr. Andrew Proctor				Risk Owner		Tom McCabe			
Risk Description					Date entered on risk register			13 June 2019		
There is a potential risk of failure to deliver our services within the resources available for the period 2022/23 to the end of 2023/24. The failure to deliver agreed savings or to deliver our services within the resources available, factoring in causation such as rising inflation, resulting in the risk of legal challenge and overspends, requiring the need for in year spending decisions during the life of the plan, to the detriment of local communities and vulnerable service users. Overall risk treatment: Treat										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
2	5	10	2	5	10	1	5	5	Mar-23	Green
Tasks to mitigate the risk										
<p>'1) Clear robust framework, ' Better Together, for Norfolk - Business Plan' in place which drives the delivery of the overall vision and priority outcomes. The delivery of a council-wide strategy which seeks to shift focus to early help and prevention, and to managing demand.</p> <p>2) Delivery against the strategic service and financial planning, by translating the vision and priorities into achieved, delivered targets.</p> <p>3) A robust annual process to provide evidence for Members to make decisions about spending priorities.</p> <p>4) Regular and robust in-year financial monitoring to track delivery of savings and manage in-year pressures.</p> <p>5) Sound engagement and consultation with stakeholders and the public around service delivery.</p> <p>6) A performance management and risk system which ensures resources are used to best effect, and that the Council delivers against its objectives and targets.</p>										
Progress update										
Regular budget and performance monitoring reports to Cabinet has continued to demonstrate how the Council is delivering against the 2022/23 budgets and priorities set for each of our services. The Council has a robust and established process, including regular reporting to Members, which is closely linked to the wider Council Strategy, in order to support the development of future year budget plans taking account of the latest available information about government funding levels and other pressures. This process includes reviewing service budgets and taking into account financial performance and issues arising in the current financial year as detailed in the budget monitoring reports. There is financial monitoring of in-year cost, with monitoring of 2022-23 spend being reported to Cabinet on a monthly basis. There has been an updated MTFs position reported to Cabinet within the year, and there will be a budget setting meeting of Full Council in February 2023, and monitoring reports taken to Cabinet in 2023/24. Strategic Review underway to identify proposals to contribute to closing 2023-24 gap.										



Risk Number	RM010				Date of update		01 December 2022			
Risk Name	Loss of key ICT systems									
Portfolio lead	Cllr. Tom Fitzpatrick				Risk Owner		Simon George			
Risk Description					Date entered on risk register			01 July 2019		
The risk of the loss of key ICT systems including: - Network connectivity; - Telephony; - Microsoft Office & all business systems. Loss of core / key ICT systems, communications or utilities for a significant period - as a result of a cyber attack, loss of power, physical failure, fire or flood,or supplier failure - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs. Note that cyber security risks are elevated in 2022 due to global geopolitical issues (Cyber risk is detailed further in the service level risk register). Overall risk treatment: Treat.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	9	2	3	6	1	3	3	Mar-23	Green
Tasks to mitigate the risk										
Full power down completed periodically										
3) Implement Cloud-based business systems with resilient links for key areas										
4) Review and Implement suitable arrangements to protect against possible cyber / ransomware attacks including;										
5) Running a number of Cyber Attack exercises with senior stakeholders to reduce the risk of taking the wrong action in the event of a cyber attack										
6) We will hold a number of Business Continuity exercises to understand and reduce the impact of risk scenarios										
7) WFH has changed the critical points of infrastructure. Access to cloud services like O365 without reliance on County Hall data centres is critical to ensure service continuity.										
8) Keep all software security patched and up to date and supported. Actively and regularly review all software in use at NCC and retire all out of date software that presents a risk to keeping accredited to these standards.										
9) Continue to closely monitor security processes.										
Progress update										

## Progress update

- 1) Full power down completed as required by Property programme plans. A test of the generator has been planned for 10th December 2022 ahead of potential National Power Outages.
- 2) Local Area Network refresh successfully completed for all County Council Offices.
- 3) We Implement Cloud-based business systems with resilient links for key areas as they are procured, guidance is being refreshed regularly.
- 4) We have now completed the cyber audit actions and continue to progress through the Audit recommendations
- 6) Since COVID-19 has resulted in the majority of the workforce working from home, we continue to monitor the network to tweak and improve performance.
- 8) Infrastructure design is evolving to accommodate cloud services, further strengthen cyber security and reduce reliance on County Hall infrastructure. NCC dependence on Solaris has been almost completely removed with the introduction of MyOracle. Systems have been patched and kept up to date once a month throughout the year in line with Industry best practice.
- 9) The scope and frequency of security monitoring processes has been increased.
- 10) Future Network project has completed its procurement and awarded to Abzorb, this once implemented will reduce the complexity, improve security by introducing zero trust and improve resilience by removing the reliance on a traditional network. We are ensuring we do not increase the risk by dual running the networks together as the new network is delivered.
- 11) "Zero Trust" laptop design being rolled out, removing reliance on County Hall infrastructure for all cloud services including Oracle and Office 365, enabling staff to work from anywhere even if County Hall data centres are unavailable.

Risk Number	RM013					Date of update		02 December 2022		
Risk Name	Governance protocols for entities controlled by the Council.									
Portfolio lead	Cllr. Greg Peck					Risk Owner		Simon George		
Risk Description					Date entered on risk register			02 July 2019		
The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions. The failure of governance leading to controlled entities: Non Compliance with relevant laws (Companies, subsidy control procurement, environmental or other) Incurring Significant Losses or losing asset value Taking reputational damage from service failures Being mis-aligned with the goals of the Council The financial implications are described in the Council's Annual Statement of Accounts 2019-20. Overall risk treatment: Treat This risk is scored at a likelihood of 1 due to the strong governance in place and an impact score of 4 given the size of the controlled companies.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
1	4	4	1	4	4	1	4	4	Mar-23	Met
Tasks to mitigate the risk										
<p>1) All controlled entities and subsidiary companies have a system of governance which is the responsibility of their Board of Directors.</p> <p>The Council needs to ensure that it has given clear direction of it's policy, ambitions and expectations of the controlled entities.</p> <p>The NORSE Group objectives are for Business Growth and Diversification of business to spread risks. Risks need to be recorded on the Group's risk register.</p> <p>2) The shareholder committee should meet quarterly and monitor the performance of NORSE. A member of the shareholder board, the shareholder representative, should also attend the NORSE board.</p> <p>3) The Council holds control of the Group of Companies by way of its shareholding, restrictions in the NORSE articles of association and the voting rights of the Directors. The mission, vision and value statements of the individual NORSE companies should be reviewed regularly and included in the annual business plan approved by the Board. NORSE should have its own Memorandum and Articles of Association outlining its powers and procedures, as well as an overarching agreement with the Council which outlines the controls that the Council exercises over NORSE and the actions which require prior approval of the Council.</p> <p>4) To ensure that governance procedures are being discharged appropriately to Independence Matters. The Executive Director for Finance and Commercial Services' representative attends as shareholder representative for Independence Matters.</p> <p>5) Shareholder representation required from the Executive Director of Finance and Commercial Services on both the Norse, and Repton Boards.</p>										
Progress update										

## Progress update

- 1) There are regular Board meetings, share holder meetings and reporting as required. For NORSE, risks are recorded on the NORSE group risk register.
  - 2) The Norse Group follows the guidance issued by the Institute of Directors for Unlisted Companies where appropriate for a wholly owned LA company. The shareholder committee meets quarterly and monitors the performance of Norse. A member of the shareholder board, the shareholder representative, also attends the Norse board.
  - 3) The Council has reviewed its framework of controls to ensure it is meeting its Teckal requirements in terms of governance and control. The Executive Director of Finance and Commercial Services is responsible for reviewing the ongoing viability of wholly owned entities and regularly reporting the performance of their activities, with a view to ensuring that the County Council's interests are being protected.
- All County Council subsidiary limited company Directors have been approved in accordance with the Constitution.
- 4) The ED of F&CS directs external governance.
  - 5) There is Shareholder representation from the Executive Director of Finance and Commercial Services on both the Norse, and Repton Boards.

<b>Risk Number</b>	RM022b					<b>Date of update</b>		01 November 2022		
<b>Risk Name</b>	EU Transition									
<b>Portfolio lead</b>	Cllr. Fabian Eagle					<b>Risk Owner</b>	Vince Muspratt			
<b>Risk Description</b>						<b>Date entered on risk register</b>		28 August 2020		
There are two parts to this risk as follows; a) external funding and b) Norfolk businesses a) Risk RM14429 covers the closedown of the France (Channel) England INTERREG programme, managed by NCC. In terms of future external funding, we need to make a compelling case to Government for investment in Norfolk from the UK Shared Prosperity Fund (UKSPF), which replaces EU funding. There is a risk of limited opportunity for future skills funding from the UKSPF that NCC needs to be able to achieve the objectives of the Norfolk Investment Framework. b) We need to understand the implications for Norfolk businesses of the Territorial Cooperation Agreement and work with partners to support Norfolk businesses to trade.										
<b>Original</b>			<b>Current</b>			<b>Tolerance Target</b>				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	9	3	3	9	2	3	6	Mar-23	Amber
<b>Tasks to mitigate the risk</b>										
a) Development of Norfolk Investment Framework to target the UK Shared Prosperity Fund (replacement for EU funding).										
b) Focussed support for business, in conjunction with LEP and Chamber of Commerce.										
<b>Progress update</b>										
a) The Levelling Up White Paper indicates that in the short-term SPF and LU funds will be delivered through Districts. Should a County Deal be agreed, this may change. There is a need to develop a County Deal in order to gain strategic control over key functions and funds, but also to work with districts to maximise strategic use of SPF. Feedback from Stakeholders confirms the need for a NIF. Approach endorsed by the Steering Committee (including Town Deal Board Chairs/Local Authorities/Business Reps/University & Research Institutes and Private Sector). The NIF will identify funding options for delivery from a range of options including SPF and LUF, other national funding pots as well as private sector investment. The NIF has now been developed for delivery themes, that consist of skills, public sector services, business development and climate change.										
b) There is growth in the economy, but rising inflation (forecast 7% by April) and rise of ‘cost of goods’ and energy pose a risk/ added pressure on businesses at present. Business advice provided by the LEP's Growth Hub, Norfolk Chamber and Federation of Small Business. While these bodies can provide advice, the challenge for businesses is to invest more resource in producing the paperwork that is now required for the import/export of goods, and still generate a profit. Government has introduced measures to help secure more HGV drivers (to replace those lost due to both Brexit and the pandemic) and increase the number of seasonal agricultural workers who can work in the UK. A key priority of the Norfolk Rural Strategy is to help increase the adoption of robotic solutions to increase productivity and help mitigate staffing challenges.										

Risk Number		RM024		Date of update		29 November 2022				
Risk Name		Great Yarmouth Third River Crossing (3RC)								
Portfolio lead		Cllr. Graham Plant		Risk Owner		Tom McCabe				
Risk Description			Date entered on risk register			14 June 2019				
There is a risk of failure to construct and deliver the Great Yarmouth Third River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction to be completed early 2023). There is a risk that the 3RC project will not be delivered within budget and to the agreed timescales. Cause: delays during statutory processes put timescales at risk and/or contractor prices increase project costs. Event: The 3RC is completed at a later date and/or greater cost than the agreed budget, placing additional pressure on the NCC contribution. Effect: Failure to construct and deliver the 3RC within budget would result in the shortfall having to be met from other sources. This would impact on other NCC programmes.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	2	4	8	2	3	6	May-23	Amber
Tasks to mitigate the risk										
The project was agreed by Full Council (December 2016) as a key priority infrastructure project to be delivered as soon as possible. Since then, March 2017, an outline business case has been submitted to DfT setting out project costs of £120m and a start of work in October 2020. 80% of this project cost has been confirmed by DfT, but this will be a fixed contribution with NCC taking any risk of increased costs. Mitigation measures are:										
1) Project Board and associated governance to be further developed to ensure clear focus on monitoring cost and programme at monthly meetings.										
2) NCC project team to include specialist cost and commercial resource (bought in to the project) to provide scrutiny throughout the scheme development and procurement processes.This will include independent audits and contract/legal advice on key contract risks as necessary.										
3) Programme to be developed that shows sufficient details to enable overall timescales to be regularly monitored, challenged and corrected as necessary by the board.										
4) Project controls and client team to be developed to ensure systems in place to deliver the project and to develop details to be prepared for any contractual issues to be robustly handled and monitored.										
5) All opportunities to be explored through board meetings to reduce risk and programme duration.										
6) An internal audit has been carried out to provide the Audit Committee and management with independent assurance that the controls in place, to mitigate, or minimise risks relating to pricing in stage 2 of the project to an acceptable level, are adequate and effective and operating in practice.										
Overall risk treatment: Reduce, with a focus on maintaining or reducing project costs and timescales										
Progress update										

## Progress update

The outline business case was submitted on 30 March 2017, and DfT confirmed approval of this following the autumn statement in November 2017. Progress against actions are: 1) Project board in place. Gateway review highlighted a need to assess and amend board attendance and this has been implemented. A gateway review was completed to coincide with the award of contract decision making - the findings have been reported to the project board (there were no significant concerns identified that impact project delivery). Internal audit on governance report finalised 14 August 2019 and findings were rated green. Further gateway review completed summer 2020 ahead of progressing to next stage of contract (construction). 2) Specialist cost and commercial consultants appointed and continue to review project costs. The Commercial Manager will continue to assess the project forecast on a quarterly basis, with monthly interim reporting also provided to the board. No issues highlighted to date and budget remains sufficient. A further budget review was completed following appointment of the contractor. The full business case was developed and submitted to DfT at end of September 2020 - the project is still at agreed budget. 3) An overall project programme has been developed and is owned and managed by the dedicated project manager. Any issues are highlighted to the board as the project is delivered. The start of DCO examination was 24 September 2019 with a finish date on 24 March 2020. The approval of the DCO was confirmed on 24 September 2020 (no legal challenge). Construction started on 4 January 2021 as planned. The bridge completion and opening date remains early 2023. 4) Learning from the NDR the experience of commercial specialist support was utilised to develop contract details ahead of the formal commencement of the procurement process. Further work fed into the procurement processes (and competitive dialogue) with the bidders. The commercial team leads were in place from the start of the contract (January 2019) and continue in this role to manage contract administration. March 22 - Construction inflation is being closely monitored, but is not currently impacting the overall budget provisions. 5) The project board receives regular (monthly) updates on project risks, costs and timescales. A detailed cost review was delivered to the board ahead of the award of the contract (following the delegated authority agreed by Full Council), and took into account the contractors tender pricing and associated project risk updates. The project currently remains on budget and the programme to complete the works and open the scheme in mid 2023 is still on track. 6) The further internal audit has been concluded and a report circulated. Findings were green with only one minor observation (already actioned).

Risk Number	RM027					Date of update		30 November 2022		
Risk Name	myOracle									
Portfolio lead	Cllr. Tom FitzPatrick					Risk Owner		Simon George		
Risk Description					Date entered on risk register			30 August 2022		
There is a risk of failure of the new Human Resources and Finance system whereby key operational processes don't deliver the required outcomes for the organisation and its' traded services customers. Cause: System build, poor process for implementation, inadequate training for self service. Event: Operational processes not delivering to the processes required. Effect: Individuals impacted by temporary reduced pay, potential reduced employee satisfaction and potential risks to employee retention. New employees not being onboarded quickly enough. Overall risk treatment: Treat										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
2	4	8	2	3	6	2	2	4	Mar-23	Green
Tasks to mitigate the risk										
1) Strong subject expert engagement in the system configuration to ensure that myOracle meets the needs of the organisation. 2) Ensure that plans / workarounds are in place to mitigate any residual risks from any issues arising. 3) Ensure that we have the resource in place to be able to deal with any issues as they arise.										
Progress update										
1) The implementation of myOracle is now live and any issues arising are being managed as a BAU exercise post mobilisation. 2) Support team and business teams focused on the identified system and process fixes required and plans/workarounds in place to mitigate those risks. 3) Team in place to rectify issues as they are reported.										



<b>Risk Number</b>	RM029	<b>Date of update</b>	21 November 2022
<b>Risk Name</b>	Critical skills required for the organisation to operate effectively		
<b>Portfolio lead</b>	Cllr. Andrew Proctor	<b>Risk Owner</b>	Jane Naumkin
<b>Risk Description</b>	<b>Date entered on risk register</b>		29 July 2019

There is a risk that a range of critical new/future skills are not available within NCC in the medium to longer term. The lack of these skills will create problems for, or reduce the effectiveness of service delivery. An inability or failure to consider/identify these until they are needed will not allow sufficient time to develop or recruit these skills. This is exacerbated by: 1.The demographics of the workforce (ageing) 2.The need for changing skills and behaviours in order to implement new ways of working including specialist professional and technical skills (in particular IT, engineering, change & transformation; analytical; professional best practice etc) associated with the introduction or requirement to undertake new activities and operate or use new technology or systems - the lack of which reduces the effective operation of NCC . 3.NCC's new delivery model, including greater reliance on other employers/sectors to deliver services on our behalf 4.Significant changes in social trends and attitudes, such as the use of new technology and attitudes to the public sector, which may impact upon our 'employer brand' and therefore recruitment and retention 5.Skills shortages in key areas including social work and teaching 6.Improvements to the UK and local economy which may impact upon the Council's ability to recruit and retain staff. 7.Government policy (for example exit payment proposals) and changes to the Council's redundancy compensation policy, which could impact upon retention, particularly of those at more senior levels and/or older workers. 8. Brexit uncertainty impacting in some sectors 9. Uncertainty of covid impact which could increase pool of candidates and simultaneously increase current colleagues' possibilities for new jobs in other locations Overall risk treatment: Treat

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	15	4	5	20	2	5	10	Mar-24	Amber

#### Tasks to mitigate the risk

- \*Identification of what new critical skills are required in services – using workforce planning process and toolkit. As each directorate makes their changes to make savings / manage demand.
- \*Identification of pathways to enable staff to learn, develop and qualify into shortage areas – As each directorate makes their changes to make savings / manage demand
- \*Creation of career families and professional communities, providing visible and clear career paths for colleagues.
- \*Embedding a strengths based approach to performance management e.g. Recruit for strengths not just qualifications and skills and experience
- \*Explore further integration with other organisations to fill the gaps in our workforce - ongoing
- \*Develop talent pipelines working with schools, colleges and universities
- \*Undertake market rate exercises as appropriate and review the reward package to support attraction and retention
- \*Explore / develop the use of apprenticeships and early career schemes; this will help grow talent and act as a retention tool
- \*Work with 14 – 19 providers and Higher Education providers to ensure that the GCSE, A level and Degree subjects meets the needs of future workforce requirements
- \*acceptance and implementation of new workforce strategy that will lead to improved workforce planning
- \*develop our employer brand to improve attraction of people with the skills we need

## Progress update

1. Working with education providers to ensure subjects meet future workforce requirements and students see a career in local government as an exciting option
2. Work has begun to make best use of the 'skills' facility in the new Oracle system. It will take time to understand how best to use the functionality but it is planned to help with finding people within NCC with skills not usually associated with their role, as well as providing easy reporting on professional registrations. This functionality is dependent on completion of career families work which will form part of the strategic review.
3. Work on how to use the full Talent module in Oracle will commence during 23/24
4. A digital skills survey has been made available to employees to support information and learning relating to their own particular digital skills competence. Mandatory training policy is live and has been socialised. A digital skills strategy approach is in development and dedicated resource will enable implementation.
5. NCC careers website design is underway.
6. There is an additional task relating to skills to identify the impact of COVID-19 on the availability of and demand for skills in NCC and Norfolk – this is beyond the remit of this risk but is related and therefore captured here.
7. Workforce strategy has been agreed. It identifies a number of themes that will support recruitment and retention of employees with the skills we need to be a successful organisation including refreshing our employer brand and development of clear career families
8. The strategic review will support NCC to understand how we can reshape the organisation, including our model of leadership and management and approach to role families
9. Where a need is identified specific recruitment and marketing campaigns are developed and socialised to support attraction to hard to fill roles e.g. 'We Care' campaign
10. Reward offer is reviewed regularly to identify additional areas that would support attraction and retention.

The target date has been moved to March 2024 to take account of the strategic review timescales and implementation.

<b>Risk Number</b>	RM030					<b>Date of update</b>		30 November 2022		
<b>Risk Name</b>	Non-realisation of Children’s Services Transformation change and expected benefits									
<b>Portfolio lead</b>	Cllr. John Fisher					<b>Risk Owner</b>		Sara Tough		
<b>Risk Description</b>					<b>Date entered on risk register</b>			08 August 2019		
There is a risk of the non-realisation of Children’s Services Transformation change and expected benefits, encompassing the risk that Children’s Services do not experience the expected benefits from the transformation programme. Outcomes for children and their families are not improved, need is not met earlier and the increasing demand for specialist support and intervention is not managed. Statutory duties will not be fully met and the financial position of the department will be unsustainable over time. Overall risk treatment: Treat										
<b>Original</b>			<b>Current</b>			<b>Tolerance Target</b>				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	5	20	3	5	15	1	5	5	Mar-23	Red
<b>Tasks to mitigate the risk</b>										
1) A demand management and prevention strategy and associated business cases have been completed and a multi-year transformation programme has been established covering social care and education, with 5 key strategic themes: Inclusion, Prevention and Early Intervention, Effective Practice Model, Edge of Care Support and Alternatives to Care, and Transforming the Care Market. 2) Significant investment has been provided to delivery transformation including c. £2m pa transformation investment fund since 2018-19 and £120m for capital investment in Specialist Resource Bases and Specialist Schools 3) A single senior transformation lead, operational business leads and a transformation team have been appointed / aligned to direct, oversee and manage the change 4) Regular governatnce structures in place through the Cabinet Member chaired Transformation and Benefits Realisation Board to track and monitor the trajectories of the programme benefits, risks and issues 5) Services from corporate departments are aligned to provide support to transformation change e.g. HR, Comms, IT, Finance, Information and Analytics, Innovation, etc 6) Interdependencies with other enabling transformation programmes e.g. Smarter Working will be aligned to help maximise realisation of benefits.										
<b>Progress update</b>										

## Progress update

Scoring rationale - Risk impact relates to outcomes for children and families not being met, a key county council objective and financial loss of benefits over £3m therefore scored 5. Risk likelihood has reduced from "probable" prior to programme being initiated to "possible" as the transformation programme is seeing initial success after first 48 months of the programme, therefore scored 3.

- The investment in transformation has proved successful during the last 48 months having met existing targets for specific schemes albeit in the context of overall dept overspends
- Overall programme broke even in April 2021 rising to over £14m of cumulative net benefits by March 2022. Savings for 2022/23 are overall on target, where some projects and overachieved and others underachieved.
- Programme has helped to mitigate the cost pressures for 2021/22 that resulted due to the considerable financial pressures faced and ongoing uncertainties due to COVID-19. The projected programme savings of £6.5m for 2021/22 were exceeded, delivering £12.9m savings.
- Core indicator of number of Children in Care is broadly stable. Unit costs are under considerable pressure due to market forces, worsened by the impact of the pandemic, and changes to the profile of need including increasing pressure for placements for CYP with complex needs (particularly where there are also significant mental health needs). A number of existing transformation projects are in train to support these young people more effectively and reduce unit costs over the medium term.
- The next phase will focus primarily on prevention and early help – seeking to deliver a step change in our model and successfully bring together the system around special educational needs, early family help and emotional wellbeing.

Risk Number		RM031				Date of update		30 November 2022		
Risk Name		NCC Funded Children's Services Overspend								
Portfolio lead		Cllr. John Fisher				Risk Owner		Sara Tough		
Risk Description					Date entered on risk register			01 September 2019		
There is a risk that in-year pressures from service demand and other external factors beyond the department's control materialise and lead to a significant overspend.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
5	5	25	5	5	25	3	5	15	Mar-23	Red
Tasks to mitigate the risk										
Brought forward:										
1. Transformation programme in place that targets improvement to operating model, ways of working, and placement & sufficiency to ensure that intervention is happening at the right time, with the right children and families supported, with the right types of support, intervention & placements. This will result in improved value for money through ensuring that money is spent in the right places, at the right times with the investment in children and families resulting in lower, long-term costs.										
2. Improved monitoring system implemented to identify, track and respond to financial challenges.										
3. Cohorts will be regularly analysed to ensure that all are targeted appropriately and to develop new transformation initiatives to meet needs cost effectively.										
4. Ongoing recognition of underlying budget pressures within recent NCC budgets and within the MTFS, including for front-line placement and support costs (children looked after, children with disabilities and care leavers), operational staffing, and home to school transport for children with SEND.										
5. Recognition of pandemic-related additional budget pressures in-year and for future years, with actions identified to respond to these and to minimise cost pressures										
Feb 22										
MTFS set recognising underlying budget pressures identified from 21/22 forecast										
Mar 22										
Fortnightly business planning oversight meetings with the Lead Members for Children's Services and Finance and the Director of Financial and Commercial Services introduced										
Apr 22										
Targeted support provided to some HTST providers to minimise risk of contracts being returned due to significant rise in fuel costs due to Ukraine invasion										
May 22										
Review of 21-22 outturn to identify areas of key risks for close oversight by CSLT										
Dec 22										
Additional oversight system implemented by CSLT to scrutinise most high risk placements & support budget										
Progress update										

## Progress update

Scoring rationale - Risk impact relates to financial impact of over £3m, therefore scored 5. Risk likelihood has increased from probable to "almost certain", due to department currently projecting an overspend outturn position for 2022/23 in relation to the pressures within social care placements, and home to school transport (particularly for those with special educational needs and disabilities as well as mainstream provision).

Brought forward:

- Improved monitoring systems have become embedded: CSLT finance sub-group, high cost reporting, LAC tracker, Permanency Planning Meetings, DCS Quarterly Performance meetings, regular "Time for Outstanding Outcomes" Meetings and Transformation and Benefits Realisation Board chaired by Cabinet Member CS and attended by Members and CSLT.
- Multiple Transformation projects been successfully delivered over the past 24 months that will contribute to the mitigation of this risk. This includes the transformation of the Corporate Parenting Services, including our Fostering Services. We have introduced new services to work with vulnerable adolescents including our Targeted Youth Support Services and the North Yorkshire "No Wrong Door model" which is called "New Roads" in Norfolk This is a proven model at working with adolescents differently improving outcomes and reducing costs. Financial benefits associated with New Roads programme are a key mitigation for this risk. We have established a significant programme to support children with disabilities and their families and, with partners, are redesigning our prevention and early help model to help meet the needs of families before they reach a threshold for statutory services. This includes rolling out the Family Hub model in Norfolk.
- Children Looked After numbers have reduced significantly since January 2019, which has resulted in reduced overall placement costs. Where unit costs are under considerable pressure due to external market forces, there are a number of existing transformation projects in train to support these young people more effectively and reduce unit costs over the medium term.

Oct 22

- CSLT agreed the need to increase the scrutiny of individual high cost placement / support forecasts in light of the forecast
- CLST recognised that new regulations relating to unregulated and unregistered provision would increase the likelihood of this risk occurring in future

Dec 22

- There are a wide range of factors that have impacted on the budget position. These include: unit costs are increasing significantly due to the cohort with the very highest and most complex needs continuing to grow as a proportion of all children looked after. The pandemic continues to have a substantial impact e.g. delays in the court system and the impact of hidden harm on CYP. Examples of other factors are; lack of supply of placements, worsening of emotional wellbeing and mental health amongst children, young people and parents, impact of inflation on families and services such as transport, ongoing shortages of staff in key professional specialisms.
- Currently the number of children in care is stable, the exception to this is the number of unaccompanied children has jumped over 50% in the past 2-3 months, which will impact on the overall sufficiency position.
- CSLT agreed development of 3-5 year financial plan for Cabinet to consider.

<b>Risk Number</b>	RM032	<b>Date of update</b>	24/11/2022
<b>Risk Name</b>	Capacity to manage a large or multiple incidents or disruptions to business		
<b>Portfolio lead</b>	Cllr. Andrew Proctor	<b>Risk Owner</b>	Sarah Rhoden
<b>Risk Description</b>	<b>Date entered on risk register</b>		29 October 2021

NCC is affected by an internal or external iNCC is affected by an internal or external incident/emergency that impacts on the authority's ability to deliver critical services. This could be internal threats such as loss of IMT or power or external impacts such as supporting the countywide response to Norfolk's Highest risk such as Coastal flooding or pandemic flu. There is a risk of a large scale incident or series of incidents that cause potential negative impacts on the reputation, resources or financial stability, that affect NCC's ability to deliver it services. As of October 22 there are a number of ongoing situations which are compounding this risk. 1. Unprecedented numbers of Avian Influenza cases in Norfolk putting significant pressure on Trading Standards. 2. Energy providers issue of reasonable worst case scenario for power national power outages. 3. We are also moving into the season where will be see more severe weather activity, particularly the risk of low temperatures which compounds point 2 above. 4. Risk of Industrial action. Fire service are currently under consultation on pay offer. Risk of industrial action in other sectors eg. ambulance service / NHS will add additional pressure to social care services. 5. Cost of living crisis is affecting people and businesses across Norfolk. Risk to our staff, service users and wider community. 6. Covid-19 - as yet the impacts of Covid this coming winter season have not been determined, but there is potential to disrupt staffing and put additional pressures on front line services, including the ability to respond to incidents. 7. ICS and social care winter pressures

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	4	16	3	3	9	3	2	6	Aug-23	Amber

#### Tasks to mitigate the risk

- 1) Maintain the Corporate Resilience Plan.
- 2) Maintain a robust Business Continuity process, including training and exercising.
- 3) Having the appropriate groups in place to be able to support and manage any response to an incident causing business disruption.
- 4) Supporting and embedding of Business Continuity looking at best practice to support the operational delivery of services.
- 5) Further training planning for both BC and Emergency Planning.
- 6) Active engagement and participation in the Norfolk Resilience Forum.
- 7) On going review of winter risks
- 8) Member of the NRF and attendance at weekly Norfolk Risk Intelligence Group (RIG) meetings
- 9) NRF Plans and procedures in place, including training and exercising

#### Progress update

## Progress update

The BC process and emergency response mechanisms are in place and enabled within NCC, support is in place from the Resilience team who deliver 24/7 response support.

Current BC stats = 84% of NCC plans reviewed and 82% plans have been exercised

Director Ops is stood up and currently meeting fortnightly to monitor on going issues. On call silver and Gold rotas in in place.

To help ensure we meet our duties under the Civil Contingencies Act, and to remain as prepared as possible for the winter period and beyond, the Norfolk Resilience Forum (NRF) has in place weekly Risk Intelligence Group (RIG) meetings. This is where emergency planning professionals from across the NRF partnership come together to review the potential risks that the county faces in the short term (next 7 days), medium term (7 days to 2 months) and longer term (beyond 2 months). This process creates an assessment picture that considers the potential impacts, aims to recommend and support mitigations, and, if required, stand up response structures that look to reduce the impacts as far as possible for Norfolk. The Resilience team attend this weekly Norfolk Resilience Forum (NRF) Risk Information Group (RIG) meeting to enable situation awareness and horizon scanning to support and manage all the major risks within the County.

The purpose of the RIG meetings is to create a Common Operating Picture risk assessment, which then feeds into the individual partner's strategic and tactical management meetings that help to shape the Norfolk wide preparedness and strategy. The NRF also undertakes specific monthly risk assessment meetings to look at the risks to Norfolk on a rolling basis, to ensure that we are current with our risk profile and planning. In addition, the NRF is also fully engaged at a regional and national level with the Department of Levelling Up Communities and Housing around winter assurance and preparedness for winter.

Due to global and national uncertainty, pre-emptive planning is on going to look at the risks that NCC and Norfolk will face this winter, these will include:

Winter weather - snow/Ice storms and flooding. Health issues- pressure in care systems, Season Flu, outbreaks, re-emergence of COVID, Hospital roof collapse and care home failure. Cost of living impacts. Disruption to power or communications systems. Industrial Action. Animal Health outbreaks. Cyber attacks. A briefing document has been created for the Director Ops group to look at the requirements and for any additional mitigation actions, which was reviewed on 28th Sep by Director Ops. Board. In addition we are working with Government departments at DLUHC to ensure we have the latest national steer for winter preparedness.

NRF power outage exercise (Exercise Lemur) took place on 18th October. FloodEx National flood exercise took place w/c 14th November. Director Op's have set up a Winter preparedness working group and are building a project plan to join up the approach to winter planning. This has created 10 workstreams to ensure that all services are fully informed and as well prepared as possible. Director Ops will maintain oversight of this work. In addition NCC are also feeding into the wider Norfolk winter planning within the NRF multi-agency partnership.



<b>Risk Number</b>	RM033		<b>Date of update</b>		29 November 2022					
<b>Risk Name</b>	Norwich Western Link Project									
<b>Portfolio lead</b>	Cllr. Graham Plant			<b>Risk Owner</b>	Tom McCabe					
<b>Risk Description</b>			<b>Date entered on risk register</b>		27 July 2021					
There is a risk that the NWL project could fail to receive funding approvals from the Department for Transport (DfT), and/or statutory approvals necessary within the necessary timescales to achieve the Orders to construct the project (related to planning consent, land acquisition, highway orders) to enable the Norwich Western Link (NWL) project (at £251m) to be delivered to the agreed timescales (target opening by late 2025). Cause: Objection to the project (particularly related to environmental impacts) that results in either DfT or Secretary of State failing to provide the necessary approvals for the funding/Orders. Event: The scale of the project and the funding requirement from DfT (at 85%) is such that without their funding contribution, it will not be possible to deliver the project. Without the necessary Orders in place, it will not be possible to deliver the project. Effect: The benefits that the project would bring in terms of traffic relief, accommodating growth in housing and employment, economic recovery and journey time savings would not be achieved. If ultimately the project does not get constructed there is the possibility that any funding already provided by DfT would need to be repaid and that the capital expenditure up to that stage could need to be repaid from revenue funds (as there would be no capital asset to justify the use of capital funding).										
<b>Original</b>			<b>Current</b>			<b>Tolerance Target</b>				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	3	4	12	1	4	4	Sep-24	Amber
<b>Tasks to mitigate the risk</b>										
1. Work closely with DfT to resolve any queries related to the OBC approval. 2. Ensure programme dates for statutory approvals are achieved and submission details are legally checked. 3. Develop strong team resource to ensure well developed submissions for statutory processes (including public inquiry) are provided. 4. Provide regular updates to the project board to ensure any issues related to programme, cost and risk are reported. 5. Monitor scale of expenditure prior to SoS approval to ensure any potential financial implications can be accommodated within the NCC financial envelope.										
<b>Progress update</b>										

## Progress update

1. OBC submitted to DfT for approval at end of June 2021. Awaiting funding confirmation, but timescale to be confirmed. July 2022 - Report approved by Cabinet (includes revised timescales and budget - 85% DfT contribution retained in OBC addendum submitted to DfT (approval ongoing). 2. Programme being reviewed to ensure realistic timescales for pre-planning application consultation and planning submissions are in place (to be agreed by the project board). July 2022 - Timescales updated in Cabinet report and agreed. Sept 22 - Govt mini-budget on 23rd Sept set out fast-tracking of projects, including NWL. Details awaited to understand any implications. 3. Resource review in progress to ensure the team structure is suited to the next phases of the project. July 2022 - Team structure in place with some gaps in resource being resolved, but very challenging employment market conditions. Sept 22 - maintaining resources on project is proving challenging. Ongoing recruitment and discussions with WSP. 4. Project board meetings in place and risk, programme, cost regularly reported. July 2022 - All details updated in Cabinet report and cost, risk and programme will be monitored by Board based on Cabinet report. Sept 2022 – Board closely monitoring budget including inflation/economic implications. 5. Section 151 officer updated on expenditure to date at project board and is comfortable that any potential cost/budget implications could be accommodated within the NCC financial envelope. July 2022 - Details in Cabinet report agreed with s151 officer and budget recommendation and implications accepted by Cabinet and Full Council on 19 July.

<b>Risk Number</b>	RM034					<b>Date of update</b>		02 December 2022		
<b>Risk Name</b>	Supply Chain Interruption									
<b>Portfolio lead</b>	Cllr. Andrew Proctor					<b>Risk Owner</b>		Simon George		
<b>Risk Description</b>					<b>Date entered on risk register</b>			09 November 2021		
There is a risk of a supply chain interruption, which could affect any of the Council's supply chains. This could take the form of either a sudden or gradual interruption, affecting the ability to deliver one or more services effectively. Cause: Examples of sudden interruptions include; loss of power; loss of supplies due to panic-buying (fuel being the prime example with knock-on effects); supplier insolvency; inability to replace critical components. Examples of gradual interruptions include; a gradual inability to recruit key in-demand staff (e.g. drivers & care workers); a gradual material shortage (e.g. construction materials); inflation; industrial action; staff absence owing to Covid-19 / seasonal flu, gradually contracting labour markets. Event: The materialisation of a sudden or a gradual interruption or degradation of a NCC supply chain. Effect: Different causes will generate different effects, but the common effect would be a disruption to service delivery stemming from the interruption of the supply chain involved. This could have knock on effects to other services depending on the interconnectedness / scale of the supply chain.										
<b>Original</b>			<b>Current</b>			<b>Tolerance Target</b>				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	4	16	4	3	12	3	2	6	Mar-23	Amber
<b>Tasks to mitigate the risk</b>										
For loss of power: 1) Understanding power resilience of County Hall 2) Understanding failover if we lost County Hall power 3) Reviewing plans for simultaneous loss of power or gas to multiple sensitive sites, e.g. care homes. 4) Thinking through command and control in case of widespread power loss For fuel: 5) Sending out a de-brief form to all involved in the fuel disruption (NCC) and the Resilience team will collate the returns. This will inform changes to the NCC approach and potentially update the Corporate plan. Our work will feed into the wider NRF de-brief to the NRF plan. For food: 6) Consideration of academies and our role with free school meals. 7) Maintain good relationships with key suppliers. For supplier insolvency: 8) Formalising tiering of contracts For critical spares: 9) Work with providers to ensure there is adequate support to just in time (JIT) deliveries (contingency stock of critical spares). For IT: 10) Ensure IT refresh is considered and appropriate stock pre-ordered.  General mitigations against sudden major disruptions include: Early warning and trigger points Supply diversity Supplier relationships Public sector resource pooling Effective plans										
<b>Progress update</b>										

## Progress update

For loss of power:

- 1) Power resilience understood.
- 2) Resilience of Disaster Recovery site understood.
- 3) This is being looked at via normal BAU winter preparedness. Resilience Reps and DMT's are supported by the Resilience Team to review BC plans.
- 4) Command and control will follow existing processes. Any issues to be reported by department and escalated to appropriate response level (Silver/Gold) to manage the NCC response. If beyond NCC the NRF will be activated to respond.

For fuel:

- 5) Resilience Team have sent out a de-brief form to all involved in the fuel disruption (NCC) and has collated the returns. We have collated learning and now the Resilience Team are looking at the delivery of an operational plan to help deliver fuel to critical services if required and have created a BC exercise for services to work through their fuel issues and supply needs.

For food:

- 6) Work to be carried out with providers to ensure they think about support to just-in-time deliveries (contingency stock of basics).
- 7) Close communication and good relations being upheld with key suppliers of food.

For supplier insolvency:

- 8) Tiering of contracts being formalised.

For critical spares:

- 9) Ongoing work with providers to ensure adequate support is available for JIT deliveries.

For IT:

- 10) Laptops for next round of IT refresh pre-ordered and in supplier's warehouse.

Further detail of the wider resilience work being undertaken to help prevent supply chain interruption can be seen in risk RM032.

<b>Risk Number</b>	RM035		<b>Date of update</b>		02 December 2022					
<b>Risk Name</b>	Adverse impact of significant and abnormal levels of inflationary pressure on revenue and capital budgets									
<b>Portfolio lead</b>	Cllr. Andrew Jamieson			<b>Risk Owner</b>	Simon George					
<b>Risk Description</b>			<b>Date entered on risk register</b>		26 August 2022					
There is a risk that significant and abnormal levels of inflationary pressure persist for an extended period of time with a negative impact on both the Council's revenue budget and capital programme. Unusually high levels of inflation across various sectors are being experienced, driven by a number of economic and other factors which are entirely outside the council's control. Forecasts are increasingly suggesting that this situation is likely to persist for a protracted period. There is a risk that this level of inflation will have very significant impacts across several areas of the council including: - Increasing demand for a range of support and services including hardship funds as the cost of living and inflationary pressures impact on wider society. - Direct impact of inflationary pressures on revenue pay budgets - pay awards for 2022-23 and 2023-24 in excess of the level which has been assumed in the budget / MTFS. - Direct impact of inflationary pressures on non-pay revenue budgets including energy and fuel costs. - Direct impact of inflationary pressures on the Capital Programme including the cost of construction for various schemes. This is significantly reducing the Council's purchasing power and creating significant challenges for programme management and scheme delivery. Risk Treatment: Tolerate (overall levels of inflation are outside of the Council's control), but treating the aspects that the Council is in a position to control.										
<b>Original</b>			<b>Current</b>			<b>Tolerance Target</b>				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
5	5	25	5	5	25	5	3	15	May-23	Green
<b>Tasks to mitigate the risk</b>										
1) Close budgetary control 2022-23 - Monitoring budgets and emerging pressures during the financial year, reviewing activity levels and pressures in order to mitigate and minimise these as far as possible as part of regular budget monitoring and management processes. Where pressures cannot be avoided / mitigated, identifying alternative off-setting savings and / or funding (such as from business risk reserves) to deliver a balanced budget position for 2022-23.										
2) Setting 2023-24 Budget - Developing the 2023-24 Budget to provide as far as possible for known and unavoidable cost pressures, and identifying further income or off-setting savings initiatives to ensure that a robust and achievable Budget can be considered by Full Council in February 2023.										
3) Reviewing capital programme - Review of cost estimates, forecasts and profiling of major projects. The Council will monitor this risk and review the potential pressures on the capital programme and proactively manage the schemes, deferring some schemes where possible to minimise the impact of inflation and continue to deliver the capital programme within the budget available. The impact of cost pressures on the capital programme forecast will be picked up as part of the regular capital monitoring process and as part of setting the 2023-24 Capital Programme.										
4) Articulating the financial challenges faced by the Council to Government and other stakeholders - The Council's work to ensure that sufficient funding allocations are provided / available will include responses to Government consultations, funding announcements, discussions about the 2022-23 pay award, and other engagement.										

**Progress update**

- 1) Budget monitoring and reporting of variances, risks and mitigations to Cabinet is underway in respect of 2022-23.
- 2) Budget process underway for 2023-24 including identification of saving proposals for consideration by Cabinet in October 2022. Further savings required to close forecast budget gap and work underway to identify and validate cost pressures. Strategic Review underway to identify proposals to contribute to closing 2023-24 gap.
- 3) Monitoring of Capital Programme underway in respect of 2022-23 and reported to Cabinet. Review of capital programme profiling and development of new schemes for 2023-24 programme underway.
- 4) Ongoing engagement including formal consultation responses and ad-hoc opportunities.

Risk Number	RM036					Date of update		30 November 2022		
Risk Name	Environmental Policy									
Portfolio lead	Cllrs. Eric Vardy, Andrew Jamieson and Greg Peck					Risk Owner		Steve Miller		
Risk Description					Date entered on risk register			26 August 2022		
There is a risk of not delivering the key objectives of the NCC environmental policy. This could stem from not achieving the key objectives within our control to deliver. These include; achieving Net Zero Across the County Council Estate by 2030, working in partnership across the County, especially through the Norfolk Climate Change Partnership on the delivery of; the Climate Action Plan, major environmental infrastructure projects; sustainable travel projects; the 1 Million Trees for Norfolk project; the Pollinator Action Plan as well as continued roll out of LED streetlighting upgrades and implementation of the EV strategy. Event: Non-delivery of the key objectives. Effect: This could lead to greater potential for increased damage to the local and global environment. Overall risk treatment: Treat										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	4	16	3	3	9	2	2	4	Mar-25	Green
Tasks to mitigate the risk										
1) Achieve Net Zero across NCC Estates by 2030. 2) Develop and deliver Climate Action Plan through Norfolk Climate Change Partnership. 3) Delivery of major environmental infrastructure projects for example Wendling Beck. 4) Delivery of all of the major transport infrastructure projects including ZEBRA. 5) Delivery of the 1 Million Trees for Norfolk project. 6) Delivery of the Pollinator Action Plan. 7) Rollout of 15k LED lights by the end of 2023 8) Rollout of electric vehicles										
Progress update										
Regular reporting cycles are already established for each of the key objectives. 1) Digital dashboard established and strong delivery against scope 1 and 2 emission targets. 2) Development work ongoing with Norfolk Climate Change Partnership. A number of strategic workshops are taking place in the third quarter of 22/23 which will inform the direction and content of the climate action plan. 3) Strong progress to date with all key environmental infrastructure projects on schedule. 4) Sustainable transport projects progressing well and major investment in ZEBRA scheme and cycling and walking programmes secure. 5) Delivery of 1 Million Trees project progressing positively with plan in place to accelerate planting plan following Covid-19 impact on planting programme. 6) Pollinator Action Plan approved by Cabinet and being delivered - no major issues to report. 7) We have currently replaced 3.7k lights. 8) We are currently developing metrics for the fleet of NCC electric vehicles.										

<b>Risk Number</b>	RM037					<b>Date of update</b>		02 December 2022		
<b>Risk Name</b>	NFRS Industrial Action									
<b>Portfolio lead</b>	Cllr. Margaret Dewsbury					<b>Risk Owner</b>		Ceri Sumner		
<b>Risk Description</b>					<b>Date entered on risk register</b>			06 December 2022		
There is the potential for periods of Industrial Action of Fire and Rescue staff owing to inability to agree national pay deal. There is a risk of failure to deliver statutory/regulatory services (provision of fire cover) as a result of potential strike action.										
<b>Original</b>			<b>Current</b>			<b>Tolerance Target</b>				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
5	5	25	5	5	25	5	1	5	Feb-23	Green
<b>Tasks to mitigate the risk</b>										
Planning of contingency arrangements commenced. Fortnightly meetings scheduled. We have already set up a working group which is continually reviewing, monitoring and scenario planning for business continuity. We are: monitoring and have agreed 13/16 arrangements with neighbouring FRS's, liaising with NFCC, with NFCC NR IA planning and with regional colleagues, reviewing our degradation plan, considering provision of other statutory duties (protection responsibilities, use of green-book staff), also considered engagement with partners and public(preparing expectations on delivery of services during any periods of IA).										
<b>Progress update</b>										
Initial planning meetings commenced . Control room plan commenced: to include possible numbers, tasks, resilience, risks. Early comms to all staff to engage and attempt to ascertain numbers likely to work and numbers likely to not work during any periods of union action. Periodic information being submitted to Home Office (return required estimating likely resources impacted). Resource identified in HR to support IA and payroll processes being reviewed. Predicting first strike date to be the beginnning of February 2023.										



<b>Risk Number</b>	RM038					<b>Date of update</b>		08 November 2022		
<b>Risk Name</b>	ASSD Recovery from the Covid-19 Pandemic									
<b>Portfolio lead</b>	Cllr. Bill Borrett					<b>Risk Owner</b>		Laura Clear		
<b>Risk Description</b>					<b>Date entered on risk register</b>			06 December 2022		
If there is insufficient time and staffing resource in operational teams to focus on recovery actions, then the risk of harm to service users will be unaddressed with the associated adverse impact to staff wellbeing & retention, increased complaints & LGSCO findings; and reputational challenge from Members/the Council and from the public.										
<b>Original</b>			<b>Current</b>			<b>Tolerance Target</b>				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	4	16	4	4	16	4	2	8	Mar-23	Amber
<b>Tasks to mitigate the risk</b>										
<div>- Whole department approach to supporting recovery plans/actions</div> <div>- Dedicated leadership in place</div> <div>- Staff involvement in development of plans</div> <div>- SAFE event planned</div>										
6.7.22 Newton Europe to support: Identifying operational initiatives that can be deployed to reduce the holding lists. Having a consistent approach to managing risk within holding lists. Conducting a risk assessment of cases currently on the holding list. Quantifying the operational impact of the upcoming changes in Adults Social Care (recovery & social care reform). Developing a plan, milestones and KPIs that can be rolled out to target both the holding list and increased demand due to care reforms (this will include resourcing considerations).										
15.7.22 Clear governance with backlogs position reported to DLT via recovery and oversight group. Recovery monitoring through finance and accountability meetings.peripatetic assessment team focussing on holding list reduction. Duty teams responding to urgent and crisis needs.										
8.11.22 All Places have recovery plans in place - weekly monitoring in place.										
<b>Progress update</b>										

## Progress update

06.06.22 Reviewed at ODs and HOICs all agreed risk remained.

15.07.22 DLT lead for Recovery identified SAFE event held and learning shared (Holding list backlog) Detailed analysis of holding list (trajectories & improvement levers) New governance approach via Recovery Working Group and Locality Accountability meetings being established. Recovery action plan in place.

01.08.22

DLT agreed consistent approach to risk stratification of holding lists to be implemented by end of August 2022. NIPE and Business Support offer to assist local teams to implement. SCCE backlog proposal for consideration by DLT on 28/07/22 including additional reward to reduce SCCE backlog/holding list Newton Europe recovery plan to be presented to DLT on 4/8/22 with priority work packages & owners, trajectories and resource requirements identified Assurance inspection undertaken from 27th - 29th July including focus on backlogs by inspectors - initial learning outcome shared on 29/7/22 Kate Gooding supporting to devise a communication strategy covering recovery, transformation and reform.

02.09.22

Newton Europe recovery plan handed over and work under way to translate this into a Norfolk project plan and resource requirement Draft resource requirement outlined and initial conversations with DLT taking place to confirm risk stratification implementation underway with end date of 31st October - slow start due to summer annual leave and operational pressures No significant impact on work backlogs except in SCCE due to beat the backlog event which may have had an adverse impact on localities.

05.10.22 All places developing connecting communities/recovery plans. to be reviewed at ODs meeting Oct 10th.

22.10.22 Recovery planning now integral to Connecting Communities E4SC workstream and owned by Place Ops Directors Single Locality E4SC plans developed for next 6 months Governance clear – weekly learning cycle meetings with Ops Directors feeding into weekly agenda item at DLT (DASS oversight) Metrics agreed; reporting source being clarified Risk stratification completed for around 60% of current holding lists Outstanding guidance on OT and PfAL risk stratification approach Short Term Beds team backlog recovery plan agreed and active through learning cycle meetings and IOD forums Wider recovery actions (assistive technology, sensory support) governance needs further consideration and clarity £500k available to increase CCRT staffing to address outstanding reviews.

08.11.22 dependency on risk RM 14503 social care reform.  
Weekly oversight of locality plans and progress embedded.

Risk Number	RM039		Date of update		17 November 2022					
Risk Name	ASSD financial, staffing & market stability impacts due to implementation of social care reform									
Portfolio lead	Cllr. Bill Borrett			Risk Owner	Debbie Bartlett					
Risk Description			Date entered on risk register		06 December 2022					
<p>Financial Risk There is a risk that the Government will not provide sufficient funding to support the implementation of Social Care Reform and that we (NCC) will not have any monies to fill any shortfalls or additional costs. There is a risk that the Government has hugely underestimated the cost to implement Social Care Reform and therefore there will be a shortfall in funding to Local Authorities. Added to this, NCC does not have any additional monies to fill any shortfall from the Government or any other additional costs (related to additional cases, more service users that require more input into costs, support &amp; maintenance for Care Accounts etc) associated with the Social Care Reform implementation. Resourcing/Staffing Risk There is a risk that there will be insufficient resources both internally and to recruit externally to meet the new demands of the social care reform. we will not have sufficient resources (SW, Finance and Brokerage) to process the increased care act and eligibility checks as more self funders request LA to purchase care on their behalf or reach the £86,000 cap. In addition we may not be able to recruit the necessary additional staff externally due to lack of social workers both regionally and nationally. We are struggling to recruit for vacancies we have now. Market Stability Risk There is a risk that there will be insufficient capacity in the market to meet the new demands of the social care reform. The implementation of 18(3) whereby self funders can request Local Authorities to purchase care on their behalf, has a destabilising impact on our already fragile care market. In addition the level of provider failures/contract handbacks are really worrying and may impact our ability to provide suitable care or alternatives to those who can no longer afford first and third party top ups once they reach the cap. There also may not be sufficient care in the market for us to provide suitable lower price alternatives if first party and third party top ups are required.</p>										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	4	16	4	4	16	3	2	6	Apr-23	Amber
Tasks to mitigate the risk										
<p>The SCR Programme is undertaking some Modelling and Impact analysis to understand what the exact impacts will be on Norfolk County Council. Work on Behavioural Trends has also been commissioned. In addition we are working to understand how we will approach assessments in the future so that we can better meet demand (proportionality, whether we get partners involved in carrying out some assessments, whether we introduce some self assessment, use of technology etc).</p>										
Progress update										
<p>Programme is currently defining detailed activities and scope for each workstream which will determine what products will be due from each workstream.Review of Programme - milestones and programme of work requires review and potential rescoping following Government Budget on 17/11/2022</p>										

Risk Number	RM040					Date of update		07 November 2022		
Risk Name	ASSD assurance implementation									
Portfolio lead	Cllr. Bill Borrett					Risk Owner		Debbie Bartlett		
Risk Description					Date entered on risk register			06 December 2022		
If we are rated Requires Improvement or Inadequate in the new Adult Social Services assurance regime this will damage our reputation. The impact of this on staffing morale would be significant and would likely result in loss of workforce. A rating of less than Good from Care Quality Commission would make it difficult to recruit good, experienced social workers, occupational therapists and assistant practitioners, leading to further loss of practice quality and increased wait times for citizens. The increased scrutiny and publicity will divert senior management time and make it more difficult to run an efficient, effective service.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	9	4	4	16	3	2	6	Apr-23	Amber
Tasks to mitigate the risk										
Initial action plan is being drawn up following regional mock assurance exercise, highlighting areas to focus efforts on. Performance Improvement Group (PIG) in place to drive quality improvements Performance is majorly impacted by recovery. Recovery tracker maps performance against key metrics weekly and is circulated to senior managers.										
Progress update										
Action plan has been drawn up and is being managed via the Performance Improvement Group (PIG).  Impact and likelihood scores amended due to further information now being available about the assurance process and publication of national tables for ASCOF. CQC assurance framework remains in draft form currently.  Recent publication of ASCOF regional results for 21-22, available to assurers under the new regime, shows the need for a refocus on KPIs impacting our ASCOF measures across organisation. Operational KPIs are being re-visited as a mechanism for driving up performance in key areas, particularly for turning the corner on some ASCOF measures. Regular performance reviews at DLT now taking place, broadening conversation from action plan and PIG to include focused discussions on performance measures and our current position. Operational Directors weekly meetings for localities include a focus on key recovery areas which impacts overall performance due to our backlog position.										

## **Background Information**

A Corporate Risk is one that:

- requires strong management at a corporate level thus the Corporate Board should direct any action to be taken
- requires input or responsibility from more than one Executive Director for mitigating tasks; and
- If not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key corporate objectives and/or suffer a significant financial loss or reputational damage.

The prospects of meeting target tolerance scores by the target dates are a reflection of how well mitigation tasks are controlling the risk. The contents of this cell act as an early warning indicator that there may be concerns when the prospect is shown as amber or red. In these cases, further investigation may be required to determine the factors that have caused the risk owner to consider that the target may not be met. It is also an early indication that additional resources and tasks or escalation may be required to ensure that the risk can meet the target tolerance score by the target date. The position is visually displayed for ease in the “Prospects of meeting the target score by the target date” cell as follows:

- Green – the mitigation tasks are on schedule and the risk owner considers that the target score is achievable by the target date
- Amber – one or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed
- Red – significant mitigation tasks are falling behind and there are serious concerns that the target score will not be achieved by the target date and the shortcomings must be addressed and/or new tasks introduced.

In responding to the corporate risks identified, there are four risk treatments that should be considered;

Treat

The risk should be treated through active management of the risk to reduce wherever the implications of the risk materialising are negative.

Tolerate

The risk should be acknowledged with the recognition that some or all of the mitigating actions are out of the immediate control of the Council.

Transfer

The risk should be transferred to a third party (usually via an insurance policy).

Terminate

The root cause of the risk should be terminated i.e. the action(s) causing the risk should be stopped.

# **Audit and Governance Committee**

**Item No:7**

**Report Title: External Audit Update**

**Date of Meeting: 13<sup>th</sup> March 2023**

**Responsible Director: Simon George, Executive Director of Finance and Commercial Services**

**Is this a Key Decision? No**

## **Executive Summary**

The Council's External Auditors last provided an update to this committee on 28<sup>th</sup> November 2022. This report introduces a further update on the audit of the Annual Statement of Accounts and Annual Governance Statement for 2021-22.

One of the committee's roles is to receive, consider and approve the Council's financial statements.

## **Actions Required:**

- 1. The Committee are asked to consider and agree the plans to conclude the annual statement of accounts audit and their approval.**

## **1. Background and Purpose**

As per the relevant regulations, we had anticipated the Council's Statement of Accounts and Annual Governance Statement would be considered and agreed by the Audit Committee at its meeting on 28<sup>th</sup> November 2022.

Our external auditors have recently updated us that, since the 28th November 2022 update, they have encountered difficulties with resourcing the audit which has led to further delays. This is in addition to the national issues relating to accounting for infrastructure assets that they referred to in their audit planning presentation at the last Committee.

Following a consultation the UK Government took through statutory changes for English Authorities regulations that 'overrode the accounting standards'

(relating to infrastructure assets) temporarily. The English legislation was in force from 1<sup>st</sup> January 2023.

That means it was prudent and sensible to delay the Committee's approval of the accounts until those regulations were in place and the external auditors could consider the impact of these on the completion of their audit work in this area and their audit report.

## **2. Proposal**

The Council's External Auditors will provide a verbal update on the progress with the annual audit of the accounts and the proposed timetable for the completion of their audit and the Council's approval of the accounts.

A meeting will be scheduled in early 2023, once the likely date for the completion of the audit can be established.

Relevant notices have been made that the audit is not yet concluded.

## **3. Impact of the Proposal**

One of the Committee's roles is to receive, consider and approve the Council's financial statements.

## **4. Evidence and Reasons for Decision**

The Council's External Auditors will provide a verbal update on the progress with the annual audit of the accounts and the proposed timetable for their approval.

## **5. Alternative Options**

It was prudent and sensible to delay the Committee's approval of the accounts until the new regulations were in place. There could be financial and reputational risks if the Council does not meet accounting requirements.

## **6. Financial Implications**

There are no additional costs from the proposal.

## **7. Resource Implications**

### **7.1 Staff:**



None.

**7.2 Property:**

None.

**7.3 IT:**

None.

**8. Other Implications**

- 8.1** Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

**9. Select Committee Comments**

None.

**10. Recommendations**

**Actions Required:**

The Committee are asked to consider and agree the plans to conclude the annual statement of accounts audit and their approval.

**11. Background Papers**

None.

**Officer Contact**

If you have any questions about matters contained within this paper, please get in touch with:

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**Email:** [Adrian.thompson@norfolk.gov.uk](mailto:Adrian.thompson@norfolk.gov.uk)



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# Audit and Governance Committee

Item No:8

**Decision making report title: Internal Audit Strategy, Approach and Audit Plan for 2023-24**

**Date of meeting: 13<sup>th</sup> March 2023**

**Responsible Cabinet Member: N/a**

**Responsible Director: Simon George, Executive Director of Finance and Commercial Services**

**Is this a key decision? No**

## Executive Summary

The Audit and Governance Committee are responsible for monitoring the adequacy and effectiveness of the systems of risk management and internal control, including internal audit, as set out in its Terms of Reference, which is part of the Council's [Constitution](#) Part 8A, page 130.

The Audit and Governance Committee should, 'Consider annually the effectiveness of the system of internal audit including internal audit's strategy, plan and performance and that those arrangements are compliant with all applicable statutes and regulations, including the Public Sector Internal Audit Standards and the Local Authority Guidance Note of 2013 and any other relevant statements of best practice'.

Norfolk Audit Services fulfils the internal audit function for the Council as required by its own Terms of Reference and the relevant regulations and standards, which are considered annually by the Committee. Our work is planned to support the Council's [vision and strategy](#), Better Together, for Norfolk 2025, which was agreed by the Council in December 2021. That strategy is delivered through the [Corporate Delivery Plan 2022-23](#).

This report sets out the:

- Background (Section 1)
- Internal Audit Strategy (2.2)
- Our Approach to developing the Audit Plan 2023-24 (2.18)
- The Audit Plan for 2023-24 (2.43)
- Performance (2.5)

The total days available to deliver all the services provided by NAS is 2,065. Of these days 723 days are delivered to external clients (FCE, schools, grants, EIFCA and the Norfolk Pension Fund).

Of the remaining 1,342 days available: -

- 868 days are available to deliver the audit opinion work. This is deemed sufficient to provide an opinion on the adequacy and effectiveness of the Council's framework of internal control.
- To deliver the risk management and investigative auditor roles, 375 days are available; and
- The remaining 99 days are available to deliver the other services provided by NAS.

## Recommendations

### 1. To consider and agree: -

- **The effectiveness of the system of internal audit including internal audit's strategy, plan and performance and that those arrangements are compliant with all applicable statutes and regulations, including the Public Sector Internal Audit Standards and the Local Authority Guidance Note of 2013 and any other relevant statements of best practice.**
- **The Internal Audit Strategy, the approach to developing the Audit Plan for 2023-24 and the Audit Plan for the first six months of 2023-24, supported by the 'Days Available to Deliver NAS Services 2023-24 (Appendix C) and the 'Detailed Audit Plan for the first six months of the Audit Year 2023-24 (Appendix D), and that this work will deliver sufficient scope for the above assurances.**
- **That the arrangements are compliant with all applicable statutes and regulations, including safeguards in place to limit impairments to independence and objectivity for the roles of the Chief Internal Auditor (described at paragraph 2.31 and 2.37 of this report), and any other relevant statements of best practice**

## 1. Background and Purpose

### Accounts and Audit Regulations (England) 2020 (As amended)

- 1.1 Under these regulations, the County Council ('the Council') 'must ensure that it has a sound system of internal control which (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk.

- 1.2 Also, the Council ‘must, each financial year (a) conduct a review of the effectiveness of the system of internal control’ and ‘(b) prepare an annual governance statement.’
- 1.3 In addition, the Council ‘must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance’, described below.
- 1.4 The Council has a duty to ensure value for money in its use of resources and the Council’s External Auditors comment on that as part of their audit of the Statement of Accounts.

#### UK Public Sector Internal Audit Standards and other guidance

- 1.5 Our audit strategy and plans respect relevant standards. CIPFA, in collaboration with the Chartered Institute of Internal Auditors (CIIA) has produced the [UK Public Sector Internal Audit Standards \(PSIAS\)](#) which came into force on 1 April 2013 and latest revised version is dated, 1 April 2017. CIPFA, in collaboration with the CIIA, also published in April 2013 the [Local Authority Guidance Note \(LAGN\)](#) for the Standards, which remain current. CIPFA have also published guidance on the ‘[Role of the Head of Internal Audit](#)’. Guidance has been issued by CIPFA on the consideration of any [limitation of scope](#) where internal audit work may be compromised due to the response and recovery from the Covid-19 pandemic. Guidance has been issued by the IIA on approaches to [remote auditing](#).
- 1.6 Guidance is available on Risk Management, Money Laundering Reporting Officer duties and Anti-Fraud arrangements.

#### Crime and Disorder

- 1.6 Under section 17 of the Crime and Disorder Act (1998), the Council has a statutory general duty to take account of the crime and disorder implications of all its work and do all that it reasonably can to prevent crime and disorder in Norfolk.

## **2. Proposals**

- 2.1 The Committee are recommended to consider and agree: -
- The effectiveness of the system of internal audit including internal audit’s strategy, plan and performance and that those arrangements are compliant with all applicable statutes and regulations, including the Public Sector Internal Audit Standards and the Local Authority Guidance Note of 2013 and any other relevant statements of best practice.

- The Internal Audit Strategy, the approach to developing the Audit Plan for 2023-24 and the first six months of the Audit Plan for 2023-24, supported by the 'Days Available to Deliver NAS Services 2023-24 (**Appendix C**) and the 'Detailed Audit Plan for the first six months of the Audit Year 2023-24 (**Appendix D**), and that this work will deliver sufficient scope for the above assurances required.
- That the arrangements are compliant with all applicable statutes and regulations, including the Public Sector Internal Audit Standards (2017) and the Local Authority Guidance Note of 2013, including safeguards in place to limit impairments to independence and objectivity for the roles of the Chief Internal Auditor (described at paragraph 2.31 and 2.37 of this report), and any other relevant statements of best practice.

2.2 The key messages are as follows: -

### **Our Internal Audit Strategy**

#### Our vision and mission

2.3 Our vision and mission, in Norfolk Audit Services (NAS), is to enhance and protect the Council's value by providing risk-based and objective assurance, advice and insight, while fulfilling the statutory requirements for assurance on the Council's Internal Control and Risk management (Accounts and Audit Regulations 2015, as amended) and relevant standards. We will also add value through associated services and advice, including Risk Management reporting, Anti-Fraud work and Money Laundering Reporting Officer work.

#### The 'Core Principles' for the Professional Practice of Internal Auditing

2.4 We also must achieve the 'Core Principles' for the professional practice of Internal auditing in our work which, taken as a whole, articulate internal audit effectiveness. Failure to achieve any of the 'Core Principles' would imply that an internal audit activity was not as effective as it could be in achieving Internal Audit's mission. The 'Core Principles' are:

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives, and risks of the organisation
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively

- Provides risk-based assurance
- Is insightful, proactive, and future-focused
- Promotes organisational improvement

### Code of Ethics

- 2.5 Internal auditors in UK public sector organisations must conform to the Code of Ethics in UK PSIAS, which is based on four principles: integrity, confidentiality, competency and objectivity. We also have regard to the Committee Standards of Public Life's, 'Seven Principles of Public Life'. and the Leading in Practice: report - GOV.UK  
<https://www.gov.uk> › Government › Public services.
- 2.6 Our own Code of Ethics is based on best practice, the CIPFA publication "[Code of Ethics for Professional Accountants](#)" (2011) which is compatible with the UK PSIAS and incorporates elements of the 'Seven Principles of Public Life' where these are additional to the principles in the CIPFA publication and the UK PSIAS's Code of Ethics.

### Our Critical Success Factors

- 2.7 These are: -
- Focusing on the Council's highest risks, both corporately and departmentally
  - Maintaining efficient and effective audit processes which conform with UKPSIAS, with periodic reviews
  - Developing and leveraging data analytics approaches where appropriate
  - Having adequately skilled and knowledgeable staff; and
  - Maintaining the role of trusted advisor.

### Focus on the Council's highest risks

- 2.8 Our planning process is risk focused. Conversations with Executive Directors, Assistant Directors and key senior managers incorporate discussions on where the current risks are within the Directorate's departments and what NAS can do to provide assurance. Corporate and Departmental risk registers were reviewed to support this.
- 2.9 We have considered the top ten global risks, in 2023, mapped them to the Council's Risk Register and our audit plan, and as part of our assurance mapping work this year, we will identify other sources of

assurance to ensure that there is comprehensive coverage across the themes.

#### Efficient and effective audit processes which conform with UKPSIAS

- 2.10 We continue to review our ways of working to increase the turnaround of audit work, so that more reports are issued within a reasonable timeframe and by improving the level of critical thinking within audit work, to increase the value of the end product.
- 2.11 We have made our audit reporting more efficient and timely by issuing a one-page audit report using Power Bi which only includes audit recommendations and the overall audit opinion.
- 2.12 Our processes continue to conform with UKPSIAS. Our recent external quality assessment (EQA) highlighted that we are in 'conformance with the Standards'. A more detailed report of this outcome and our recommendations and improvements will be shared with Audit Committee as part of our Annual Report in July 2023.
- 2.13 One area for further development a 'Cold File Review' process. Key concerns for Heads of Internal Audit are; whether the work was performed to a high quality, resulting in all key issues being identified; whether the prescribed internal audit methodology was fully applied; and how to drive continuous improvement within the team. In January 2020 the UK Internal Audit Code of Practice has further raised the bar by extending their quality assurance guideline to non-financial service sectors. Having a quality assurance function to continuously challenge the effectiveness of IA is expected to be the new normal across audit teams in any sector in the new decade. (Does your Internal Audit Function have an Effective Quality Assurance Programme? KPMG - 2020)

A 'cold file review' is the objective review of a completed audit assignment. The purpose of the review is to confirm that the auditor carried out the work meeting the relevant Ethical Standards, PSIAS and any specific legislative requirements. A cold file review should also consider whether the work has been carried out in accordance with the function's procedures and professional standards. Cold file reviews should be completed by a suitably qualified individual with appropriate independence and who has not been involved in performing any of the work. Once the review has been completed, the reviewer should report any non-compliance which has been identified and that an action plan has been agreed. The results of the cold file review and the action plan should be shared with those who undertook the audit work.



Adequately skilled and knowledgeable staff

- 2.14 We have further developed our strategy to develop and implement data analytics audit approaches into our audits. Training has been given to the team and data analytics will be considered as part of the planning and understanding of each audit in the 2023-34 audit plan.
- 2.15 For the Council's audit work, NAS comprises two Principal Client Managers, one Client Manager, two Trainee Internal Audit Managers (Apprenticeships) three Senior Auditors, one Auditor and one Trainee Auditor (Apprenticeship). NAS is led by the CIA. Staff work a variety of work patterns and hours. In addition, the wider NAS Team includes a qualified Risk Management Officer and Investigative Auditor as well as the France Channel England Interreg VA Programme Audit Authority team. We also use the services of outside contractors for our audits, when required, particularly for complex and specialist areas. We are fully committed to supporting our three members of staff within the Apprenticeship scheme. Historically 'growing our own team' has proved to be very successful in terms of enhancing team skills, qualifications and knowledge. Having trainee posts supports succession planning for the future and assists with staff retention.
- 2.16 Our Senior Auditors are mainly AAT qualified. Our Trainee Auditor is at the beginning of their Internal Audit Practitioner Apprenticeship level 4 qualification. One of our Trainee Audit Managers is completing the ACCA Professional Accountant Apprenticeship Level 7 qualification and the other is completing the Chartered Institute of Internal Auditors (CIIA) Internal Audit Professional Apprenticeship Level 7 qualification; both are over halfway through their apprenticeships.
- 2.17 Our Client Manager and one of the Principal Client Managers are both ACCA qualified and Fellow members of the ACCA. Our other Principal Client Manager is a certified and chartered Internal Auditor and has the Qualification in Internal Audit Leadership, all obtained through the CIIA, and is a Chartered Member of the CIIA. The CIA is CIPFA qualified and a member of County Chief Internal Auditor Group Network (CCAN). The CIA and both Principal Client Managers are also members of the Home Counties Chief Internal Auditor Group (HCCIAG) and one of the Principal Client Managers co-chairs this Group.
- 2.18 All staff are required to undertake continuing professional development (CPD) in accordance with professional body and NAS requirements.

### Maintaining the role of trusted advisor

- 2.19 Audit Managers work closely with departmental management teams and Finance Business Partners to ensure that audits add value, are efficient and effective and that any recommendations are followed through. Internal Audit are available to provide advice to Executive Directors on controls and risk management.

### Actions for 2023/24

- 2.20 Our priorities for 2023/24 will focus on the actions within our Improvement Plan that is derived from our Quality Assurance and Improvement Plan activities which we will report on in our Annual Report in July 2023. These were informed through our recent external quality assessment review.
- 2.21 We are also developing a data analytics strategy in 2023/24 which we will present to you as part of our quarterly reporting to you. This will enable us to start auditing whole populations as well as samples.
- 2.22 The NAS Team were trained in the use of PowerBi in October 2022 for them to use to analyse data and visualise the results in a graphic form for audit work. Our Terms of Reference detail that we will consider how we can make use of PowerBi in our audit testing. All the Executive Directors have approved ongoing access to data in all the County Council systems for data analytical purposes for our audit, anti-fraud and wider analytical review work.
- 2.23 We will also ensure a quality assurance function to continuously challenge the effectiveness of our work, through cold file reviews; and undertake a thorough inventory of skill gaps on our team. Consider person specifications, training, or third-party support where appropriate. Additionally, we will review the areas in our audit efforts could be automated, improved, and/or enhanced by technology, using the opportunity to learn from internal audit leaders elsewhere about advances they have made. (IIA Focus on the Future-2023)
- 2.24 We will also be:
- Focusing on key risk areas
  - Strengthening continuous learning in the team
  - Exploring and implementing 'agile audit' approaches
  - Reviewing the impact of our shortened audit reporting.

## **Our approach to developing the Audit Plan for 2023/24**

### A: The requirements

- 2.25 In accordance with UK PSIAS the Chief Audit Executive, the Council's Chief Internal Auditor (CIA), must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the Council's goals.
- 2.26 In developing our risk-based plan, we must consult with senior management and obtain an understanding of the Council's Vision, strategies, key business objectives, associated risks and risk management processes and the plan must be reviewed and adjusted as necessary, in response to changes in the business, risks, operations, programmes, systems, and controls. Our approach to this is detailed below.
- 2.27 Our audit plan must incorporate or be linked to a strategic or high-level statement of how our service will be delivered and developed in accordance with our Terms of Reference (this is our Internal Audit Strategy as detailed in Appendix C) and how it links to the Council's objectives and priorities (this is shown in our detailed Audit Plan for the first six months of 2023/24 in Appendix D).
- 2.28 In addition, the internal audit activity must evaluate and contribute to the improvement of the organisation's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach.
- 2.29 The risk-based plan must also consider the requirement to produce an annual internal audit opinion and report that can be used by the Council to inform its Annual Governance Statement (AGS) and must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control (including value for money). We detail below in 2.31 to 2.36, how each opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control is derived.
- 2.30 The Section 151 Officer has a duty to consider the adequacy of the internal audit coverage. Our audit plan is discussed with the Section 151 Officer.

## Risk Management

- 2.31 The CIA has management responsibility for the corporate risk management system, but the Executive Directors are the risk owners. The Audit Committee must approve and periodically review the safeguards put in place to limit any impairments to independence and objectivity in drawing a conclusion on the adequacy and effectiveness of the risk framework. These safeguards are that: -
- The Council has a qualified Risk Management Officer
  - The function undertakes nationally recognised benchmarking and reports this to the Committee
  - The Executive Director has overall responsibility and reports to the Committee quarterly and annually
  - The External Auditor reviews the AGS, which includes the effectiveness of risk management.
  - In kind with the requirements for external review of the internal audit function in each five-year period, an external review of the Risk Management Framework took place in 2020/21.

## Governance

- 2.32 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The Council has its own Code of Corporate Governance based on the International Framework: Good Governance in the Public Sector, produced by CIPFA and the International Federation of Accountants (IFAC).
- 2.33 The Council's Annual Governance Statement provides an overall self-assessment of the Council's corporate governance arrangements and how it adheres to the governance standards set out in the Code. Evidence relating to the principles of the Code is reviewed and analysed to assess the robustness of the Council's governance arrangements.
- 2.34 The AGS includes an appraisal of the key controls in place to manage the Council's principal governance risks and the effectiveness of systems and processes governing decision making and financial control.
- 2.35 Our role is to collate all the assurances from the Executive Directors and other staff members and any other information as required for the AGS and to draft the AGS for management approval before signature by the Leader of the Council. The scope of some of the audit opinion

work we undertake contributes to the assurances given for the opinion in the AGS.

#### Internal Control

- 2.36 Our audit opinion work is designed to enable us to provide the required opinion on the adequacy and effectiveness of the Council's framework of control, including having regard to value for money. The definition and scope of value for money is set out in the NAO AGN3 note to our external auditors, covering; financial sustainability, governance and improving economy, efficiency and effectiveness.

#### Money Laundering Reporting Officer

- 2.37 The CIA holds this role supported by the Investigative Auditor. The Audit Committee must approve and periodically review the safeguards put in place to limit any impairments to independence and objectivity in drawing a conclusion on the adequacy and effectiveness of this function. These safeguards are that: -
- The Council has a qualified Anti-Fraud Specialist
  - The function will undertake nationally recognised benchmarking and reports this to the Committee
  - The Section 151 Officer has overall responsibility and reports to the Committee quarterly and annually
  - In kind with the requirements for external review of the internal audit function in each five-year period, an external review of the MLRO Framework will take place by 2027.

#### B: The planning process

##### Vision, strategies and Plans

- 2.38 Our planning has had regard to the Council's published strategy 'Better Together, for Norfolk' and the Corporate Delivery Plan.

##### Risk management processes

- 2.39 We reviewed the Council's risk management system at a high level to determine if we could rely on the risk assessments performed, resulting in the corporate and department risk registers in place, or whether we needed to complete our own risk assessments for planning purposes. We concluded that we could rely on the risk assessments based on our

own professional knowledge of what an adequate and effective risk management system looks like.

- 2.40 The Council has a corporate risk register in place and departmental risk registers are in place for all departments.
- 2.41 Service risk registers are in place within each department.
- 2.42 The annual report for Risk Management 2021/22 states that 'The Council's system of Risk Management during 2021/22 was sound, adequate, and effective in accordance with the requirements of the Accounts and Audit (England) Regulations 2015.'
- 2.43 The annual report further states that 'Sound' is taken to mean that adequate governance, reporting, and assurance structures are in place to manage the risks to the Council's objectives. This was determined from the results of the Benchmarking Club, looking at evidence-based performance results against other councils.'

#### Audit Universe

- 2.44 The annual report for Risk Management 2021/22 states that 'The Council's system of Risk Management during 2021/22 was sound, adequate, and effective in accordance with the requirements of the Accounts and Audit (England) Regulations 2015.'
- 2.45 The annual report further states that 'Sound' is taken to mean that adequate governance, reporting, and assurance structures are in place to manage the risks to the Council's objectives. This was determined from the results of the Benchmarking Club, looking at evidence-based performance results against other councils.'
- 2.46 As per 2.9, we have considered the top ten global risks, in 2023, then mapped them to the Council's Risk Register, our audit plan and other sources of assurance. There is comprehensive coverage across the themes.

#### Senior management consultation

- 2.47 We met with Directors and other senior and key managers to discuss the key issues facing the department or service to determine the topics for which they wanted assurance on for the 2023/24 Audit Plan. We discussed their corporate and departmental risks with them as well.

- 2.48 We also considered concerns from Executive Directors, inspection and committee reports, the Audit Report from the External Auditors, matters discussed with other Heads of Internal Audit, as well as applying our own professional judgement, audit knowledge and experience in devising an appropriate audit plan. Audit requirements were also discussed with the Chair of the Audit Committee.

#### Other factors to consider

- 2.49 The Chartered Institute of Internal Auditors (CIIA) issued a 'Risk in Focus 2023' in October 2022. This details the top five risks facing organisations as identified by Chief Audit Executives (CAEs) and Audit Committee Chairs and subject matter experts and is useful for us to refer to for audit planning purposes. There have been several public interest reports published recently and our audit planning will consider any lessons to be learned and potential risk areas.

#### **The Audit Plan 2023/24**

##### Day available

- 2.50 The total days available to deliver all the services provided by NAS is 2,065. Of this, 723 are to deliver the services to external clients (see **Appendix B** for more details).
- 2.51 Of the remaining 1,342 days available 474 are to deliver the services to internal clients (non-opinion work) (see **Appendix A** for more details) and 868 days (944 days in 2022/23) are available to deliver the audit opinion work.
- 2.52 **Appendix C** shows a comparison of the days we deliver to internal and external clients with 2022/23.

##### Audit opinion days

- 2.53 The detailed Audit Plan for the first six months of 2023/24 is shown in **Appendix D**. This shows that the days available for audit opinion work and is deemed sufficient to provide an opinion on the adequacy and effectiveness of the Council's framework of internal control.
- 2.54 Audits are allocated to each quarter in line with discussions with directorates and departments.

- 2.55 Our audit opinion work produces audit reports, which include recommendations for improvements in internal controls.
- 2.56 Our audit findings are categorised into high, medium and low priority. Action plans are agreed with management to mitigate risks for all findings. We assign overall opinions to our audit work of 'Acceptable – green rated' or 'Key issues to be addressed – red or amber rated'. We also assess the corporate and departmental significance of the audit. Significant findings are followed up.
- 2.57 All recommendations agreed for medium and high priority findings are followed up during the audit year by the NAS Team; a number of days is allocated in the Audit Plan for this work.

#### France Channel England (FCE)

- 2.58 The Audit Authority works to its own Audit Strategy, which was formally refreshed in early 2023 and was endorsed by the FCE Consultative Audit Group. The Audit Strategy ensures that the Audit Authority fulfils the expectations and meets the requirements laid out in EU Regulations. The strategy has three main strands: audit of the systems, audit of the expenditure and audit of the accounts. The Audit Authority summarises the audit results in its Annual Control Report, which is submitted to the EC alongside the programme's annual accounts.
- 2.59 The work of the Audit Authority relates to the prior accounting year, similar to the work of external auditors, as it aims to support the opinion on the programme's accounts.
- 2.60 The programme has now reached full flow of implementation. The programme has completed the project selection phase and the full 223 million € available have been allocated to live projects.
- 2.61 Implementation will last until the legal deadline of 31 December 2023. The FCE Audit Authority is expected to submit its final Annual Control Report to the European Commission by 15 February 2025, after which the formal programme closure process will be initiated by the European Commission.
- 2.62 The days available for FCE work is 400.

#### NAS Budget



- 2.63 The net budget for delivering all the services provided by NAS remains at circa £520K for 2023-24. Projected income is estimated to be circa £175K.

## **Performance**

### KPIs

- 2.64 Our KPIs are being reviewed and updated and will be reported to Audit Committee in July 2023. We issue draft reports within ten days following the feedback meeting and final reports within seven days following receipt of the action plan from clients.
- 2.65 The NAS Management Team monitor the above targets at their meetings.
- 2.66 KPIs are reported to the Committee either quarterly or annually.

### PSIAS

- 2.67 Our recent external quality assessment (EQA) highlighted that we are in 'conformance with the Standards'. A more detailed report of this outcome and our recommendations and improvements will be shared with Committee as part of our Annual Report in July 2023.
- 2.68 The NAS Management Team are responsible for ensuring that conformance with the PSIAS is maintained.
- 2.69 All audit work is subject to a review prior to the issue of the report. Feedback regarding what the auditor did well and what they could improve, and any training needs is provided to the auditor at the end of every audit.
- 2.70 The CIA is consulted on the scope of audits and reviews reports (except for schools and grants). The CIA will be undertaking Cold File Reviews as described above.

## **3. Impact of the Proposal**

- 3.1 The Accounts and Audit Regulations 2015 (as amended in 2020) require that, from 1 April 2015, the Council must ensure that it has a sound system of internal control that meets the relevant standards. The responsibilities for Internal Audit are set out in the Financial Regulations

which are part of the Council's Constitution. Internal Audit follows appropriate standards (the PSIAS).

- 3.2 A sound internal audit function helps ensure that there is an independent examination, evaluation and reporting of an opinion on the adequacy and effectiveness of internal control and risk management as a contribution to the proper, economic, efficient and effective use of resources and the delivery of the County Council's five priorities as set out in the County Council's strategy, 'Better Together, for Norfolk' and the associated Corporate Delivery Plan.
- 3.3 The internal audit plan will be delivered within the agreed NAS resources and budget. Individual audit topics may change in year which will result in the higher risk areas being include in the plan to inform the annual audit opinion.
- 3.4 As a result of the delivery of the internal audit plan and audit topic coverage, the Committee, Executive Directors, Senior Officers and Managers will have assurance through our audit conclusions and findings that internal controls, governance and risk management arrangements are working effectively or there are plans in place to strengthen controls.

#### **4. Evidence and Reasons for Decision**

- 4.1 Not applicable.

#### **5. Alternative Options**

- 5.1 There are no alternative options, that are considered to meet the relevant regulations.

#### **6. Financial Implications**

- 6.1 The expenditure falls within the parameters of the Annual Budget agreed by the Council. Our work provides assurance on the systems and internal controls that manage the councils spend of £1.518 billion on our priorities, which includes the capital programme of £538m for 2021-25.
- 6.2 The costings for NAS remains unchanged, subject to any savings that the Committee may agree in year, no further savings are proposed for 2021/22. The overall resourcing levels remain unchanged. We will

actively maintain traded services and pursue new opportunities when they arise.

- 6.3 There is a contribution to the fixed costs from the FCE Programme Technical Assistance. All costs incurred in delivering the audit authority function are recovered from the European Commission, such that the resources can be back filled, where necessary.

## **7. Resource Implications**

- 7.1 **Staff:** There are no staff implications.
- 7.2 **Property:** There are no property implications.
- 7.3 **IT:** There are not I.T. implications.

## **8. Other Implications**

- 8.1 **Legal Implications:** There are no resources implications in respect of the proposed strategy. However significant changes to the Strategy, Approach and Plan may result in staffing and cost implications. A reduction in overall resources may expose the Council to inadequate internal audit coverage and in turn to the risk of financial or reputational loss.
- 8.2 There are no other implications.

## **9. Risk Implications/Assessment**

- 9.1 If appropriate systems are not in place or are not effective there is a risk of: -
- The Council failing to achieve its corporate objectives
  - The Audit Committee not complying with best practice and thereby not functioning in an efficient and effective manner; and
  - Not meeting statutory requirements to provide adequate and effective systems of internal audit.
  - The CIA may not be able to provide an opinion due to insufficient audit work being completed.

## **10. Select Committee comments**

- 10.1 Not applicable.

## **11. Recommendations**

11.1 See Recommendations in the Executive Summary.

## **12. Background Papers**

12.1 Internal Audit Strategy, Our Approach and 20022/23 Audit Plan  
Internal Audit Terms of Reference (Charter)  
Section C Financial Regulations

## **Officer Contact**

If you have any questions about matters contained in this paper, please get in touch with:

**Officer name: Adrian Thompson**

**Tel no.: 01603 303395**

**Email address:**



If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

**[Adrian.thompson@norfolk.gov.uk](mailto:Adrian.thompson@norfolk.gov.uk)**

**Other Services to Internal Clients**

The table below details the other services (473 days for 2023-24) we deliver to internal clients.

- Provision of the Risk Management Strategy including servicing of Committees in respect of risk management
  - Our Risk Management Officer proactively supports Directorates in identifying and managing their corporate and departmental risks (188 days)
- Provision to undertake investigations where requested to do so by Chief Officers or the Committee Chairman; and Delivery of the Anti-Fraud and Corruption Strategy including preliminary assessments and investigations, managing the Council's Whistleblowing Policy and Procedures and managing the Council's Money Laundering Policy and procedures.
  - To deliver professional and objective evidence-based reports to assist with effective and efficient disciplinary or criminal proceedings. Our staffing strategy includes an investigative auditor role (188 days)
  - We review, with the Chief Legal Officer, the Anti-Fraud and Corruption Strategy on an annual basis, update it as necessary and present it to the Audit Committee.
  - A performance report with respect to Anti-Fraud and Corruption is made to the Audit Committee half-yearly. We provide advice in respect of allegations and undertake preliminary assessments into fraud, support disciplinary review action groups and undertake investigations.
  - We undertake preliminary assessments into whistleblowing disclosures and commission / undertake investigations and maintain the log of disclosures.
  - We will consider Money Laundering reports and report them where appropriate.
- Reporting to the Committee, quarterly and annually (12 days)
  - Production and delivery of reports to a professional standard.
  - Attendance at all meetings by the appropriate officers
- Delivery of the Annual Governance Statement to the Committee (14 days).

- Delivery of the Annual Governance Statement ensuring adequate and timely consultation with appropriate senior officers and members.
- Provision of assurance to the Executive Director of Finance and Commercial Services, the Section 151 Officer, with respect to the systems of governance/internal control and risk management throughout the authority and the Joint Committees (30 days).
  - Consideration of all aspects of governance, internal control and risk management throughout the authority or joint committee and arrive at a reasoned opinion.
  - Consideration of all risks included in the Corporate Risk Register as part of the risk based internal audit approach.
  - Demonstration of how corporate risks in the Corporate Risk Register are considered and covered in the annual audit plan and the sources of assurance available to ensure all corporate risks are adequately considered and have sufficient internal audit coverage.
  - Reporting this to the Executive Director of Finance, and Commercial Services and the appropriate committees.
- Provision of advice and assistance with respect to Internal Control to Corporate Board and other Senior Officers (42 days).
  - Our annual resource plan provides for general liaison with Corporate Board and other Senior Officers particularly in the formulation of the audit plan.
  - We provide advice on new systems and answers queries in respect of internal control.

**Delivery to External Clients**

The services NAS delivers to external clients (a total of 723 days for 2023-24) are:

- Provision of an Internal Audit Service to Schools – traded audits (100 days).
  - The strategy for auditing schools from April 2012 was agreed with the Audit Committee.
  - We offer a full traded audit to maintained schools.
- Provision of advice and assistance to other external clients (18 days)
  - Provision of advice and assistance with respect to the Annual Governance Statement and other internal control issues.
  - We provide this service on a full cost recovery basis which enables us to absorb the cost of some of our senior management and other overheads.
- Undertaking grant certification work particularly with respect to EU grants completed quarterly, half yearly or annually (130 days)
  - We provide this service on the required charges basis or at full cost recovery, which enables us to absorb the cost of all or some of our senior management and other overheads.
  - Grant certifications include EU grants and LGA grants, one external client and other UK government grants, plus the 16-19 EFSA grant funding work for schools for the S151 Officer.
- Provision of the Audit Authority for the France Channel England programme (400 days)
  - We provide these services on a full cost recovery basis.
- Provision of an Internal Audit Service to the Norfolk Pension Fund (75 days)
  - We provide an internal audit service to the Norfolk Pension Fund on a risk assessed basis.
  - We provide these services on a full cost recovery basis which enables us to absorb the cost of some of our senior management and other overheads.

**Days available to deliver NAS services 2023-24**

Element	Total Days proposed in 2023-24	% of NCC plan (excludes external clients)	Total Days proposed in 2022/23	% of NCC plan (excludes external clients)
Reporting to the Audit & Governance Committee quarterly and annually	12	1%	12	1%
Facilitation of the delivery of the Annual Governance Statement to the Audit & Governance Committee and the Joint Committees. Corporate risk RM013	14	1%	14	1%
Provision of advice and assurance to Executive Directors and Senior Officers with respect to the systems of governance, internal control and risk management throughout the Authority and audit planning.	72	5%	52	4%
Undertaking audit work to support the internal audit opinion	868	65%	944	69%
Delivery of the Anti Fraud and Corruption strategy, including preliminary assessments and investigations and Money Laundering Reporting Officer work	188	14%	173	13%
Delivery of the Risk Management Strategy including servicing of Committees in respect of risk management	188	14%	175	13%
*Provision of chargeable Internal Audit Service to Schools	100		100	
*Provision of an Internal Audit Service to Norfolk Pension Fund	75		75	
Other external Clients	18		6	
*Undertaking Grant Certification work particularly with respect to EU grants (some days non chargeable)	130		165	
*Delivering the Audit Authority Function to the FCE programme	400		341	
<b>Gross Total</b>	<b>2,065</b>	<b>100%</b>	<b>2,057</b>	<b>100%</b>
*Less Delivered to external Clients	723		687	
<b>Total Days to be Delivered</b>	<b>1,342</b>	<b>100%</b>	<b>1,370</b>	<b>100%</b>



**Six-month Audit Plan for 2023/24****Item 8 Appendix D**

Assurance Area and Audit topic	Risk Category / Corporate Risk Register Number / Service Risk	Audit Days	Brief description of the audit scope and purpose	Better Together, for Norfolk 2021-2025 Strategic Priority
<b>Community and Environmental Services</b>				
<b>Highways and Waste</b>				
Winter Service Provision	Service risk	25	Assurance over the planning and delivery of winter services	N/a
Norse Highways Contract Management & Monitoring	Service risk	25	Assurance over the contract management and monitoring arrangements in place for Norse Highways contract	N/a
<b>Community information and Learning</b>				
Payment for Adult Learning Courses	Service and financial risk	20	Assurance that procedures and controls are adequate and effective around the payment for adult learning courses	N/a
<b>Total Community &amp; Environment Services</b>		<b>70</b>		

<b>Adult Social Services</b>				
<b>All departments</b>				
Sustaining connecting communities' benefits Part 1	Dept Risk RM14505 (Failure to deliver the outcomes from the Connecting Communities transformation programme)	25	Assurance that the arrangements put in place to deliver and sustain the new improvementd and benefits are fit for purpose	Healthy, fulfilling and independent lives
Discharge Process	Service Risk	25	Assurance that the discharge pathway is operating and in complianant with the Care Act requirements	Healthy, fulfilling and independent lives
Brokerage of Care Packages	Service Risk	25	Assurance that the brokerage (incl. e-brokerage) and negotiation of prices for care packages is operating in accordance with procedures and the price agreed through this process is what is paid in practice	Healthy, fulfilling and independent lives
<b>Total Adult Services</b>		<b>75</b>		
<b>Children's Services</b>				
<b>Education</b>				
Thematic Audit - TBC	Service Risk	30	TBC	N/a
<b>All departmentms</b>				

Strategic Resource Bases (SRBs)	Service Risk	25	Assurance that the building of SRBs has delivered the expected outcome, utilising national VFM benchmarking data	Better opportunities for children and young people
Children's Services' arrangements with Legal Services	Service Risk	20	Advisory work to assist the development of a new SLA arrangement with Legal Services	N/a
<b>Total Children's Services</b>		<b>75</b>		
<b>Strategy and Transformation</b>				
<b>Transformation</b>				
Post implementation review of myOracle to inform the management of future large scale projects	Service Risk	25	Assurance on how we managed the myOracle project and the supplier to deliver our requirements, and lessons learnt for future large scale projects	N/a
<b>Human Resources &amp; Organisational Development</b>				
myOracle - HR Functionalities	HR Risk	30	Assurance that self-service functions where there is no oversight from HR, are being completed by managers and as a result of these findings, whether it is right to continue in this way for these functions	N/a
<b>Total Strategy and Transformation</b>		<b>55</b>		
<b>Governance Department</b>				

<b>Governance</b>				
Awareness and understanding of the County Council's Decision Making Process	Service Risk	25	Advisory work on the awareness and understanding of the decision making process within the County Council (Article 10 of the Constitution), in particular to understand the reasons why some decisions are made that do not follow the required process because they are deemed to be urgent	N/a
<b>Total Governance Department</b>		<b>25</b>		
<b>Work to Support AGS</b>				
Repton Housing Development Company - full assurance audit	Corporate Risk RM013 (Failure of the governance protocols for entities controlled by NCC)	10	Assurance that adequate governance controls were in place during 2022/23	N/a
Norse -self assessments management assertions	N/a	3	Assurance that adequate governance controls were in place during 2021/22	N/a
<b>Total for Work to Support AGS</b>		<b>13</b>		
<b>Finance and Commercial Services</b>				
<b>Finance and Exchequer Services</b>				
myOracle - Budget setting, monitoring and reporting	Corporate Risk RM035 (Adverse impact of significant and abnormal levels of inflationary pressure on revenue and capital budgets)	30	Assurance that internal controls are appropriate and working effectively	N/a

Financial Assessments Follow Up audit	Service Risk	15	Assurance that the agreed actions from the 2022/23 audit have been fully actioned and implemented	N/A
<b>Corporate Property Team</b>				
Disposal Process	Property and Financial Risk	20	Assurance that the disposal process as detailed in Corporate Standings Orders and procedures are being followed	N/a
<b>Information Management Technology</b>				
Handover of myOracle to IMT	IT Risk	20	Assurance of the handover process for myOracle system to IMT to ensure that IMT have the necessary processes in place to manage the system as business as usual	N/a
Retention and Disposal	Corporate Risk RM003a (Failing to comply with statutory information compliance requirement under e.g., GDPR).	25	Assurance on whether departments are on top of their disposal and retention of data in their shared drives, in readiness for the move to Sharepoint.	N/a
<b>Total Finance and Commerical Services</b>		<b>110</b>		
<b>Other Areas</b>				
National Fraud Initiative	N/a	25	Work to support the NFI	N/a
Follow Up Days of MPF & HPF Recommendations	N/a	25	Assurance that recommendations made have been implemented	N/a

Total Other Areas		50		
Total Opinion Days to be delivered		473		

# **Audit and Governance Committee**

**Item No:9**

**Report Title:** Committee Work Programme

**Date of Meeting:** 13<sup>th</sup> March 2023

**Responsible Cabinet Member:** N/A

**Responsible Director:** Simon George, Executive Director of Finance and Commercial Services

**Is this a Key Decision? No**

## **Executive Summary**

The Committee's work fulfils its Terms of Reference as set out in the Council's Constitution and agreed by the Council. The terms of reference fulfil the relevant regulatory requirements of the Council for Accounts and Audit matters, including risk management, internal control and good governance.

Following constitutional changes agreed by Full Council on 19th of July 2022 the Audit and Standards Committee have merged.

## **Recommendations**

**The Committee are asked to consider and agree:**

- the work programme for the Committee
- if further information is required

### **1. Background and Purpose**

- 1.1 In accordance with its Terms of Reference, which is part of the Constitution, the Committee should consider the programme of work set out below.

## 2. Proposal

2.1 The proposed work is set out below:

- **July 2023** reports
  - Director of Strategic Finance (S151 Officer)
    - Money Laundering Reporting Officer (MLRO) Report 2022-23
    - Governance of Norfolk Pension Fund 2022-23
    - Norfolk Audit Services Annual Report 2022-23 (including Quarter ended June 2023)
    - External Audit Letter and Audit Plan 2023
    - Treasury Management Report 2022-23
    - Risk Management Report and Risk Management Annual Report 2022-23
    - Insurance Annual Report 2022-23
    - Committee Work Programme
  - Assistant Director Legal Services (Monitoring Officer)
    - Annual Monitoring Officer report 2022-23
    - Anti-Fraud and Corruption Strategy and Whistleblowing Update and Anti-Fraud and Corruption Annual Report 2022-23
  - Executive Director of Strategy and Transformation
    - Annual SIRO Report 2022-23
    - Follow Up to the Census 2021 presentation (July 2021)
- **October 2023** reports
  - Director of Strategic Finance (S151 Officer)
    - NAS Quarterly Report Quarter ended September 2023
    - Risk Management Report
    - Audit Committee Work Programme
  - Assistant Director Legal Services (Monitoring Officer)
    - Anti-Fraud and Corruption Strategy and Whistleblowing Update
- Medium Term topics to note
  - Executive Director, CES - Environmental Policy Update

2.2 The Committee may wish to propose further reports on additional topics relevant to the Committee's terms of reference.



### **3. Impact of the Proposal**

- 3.1 As a result of the delivery of the work plan the Committee will have assurance through audit conclusions and findings that internal controls, governance and risk management arrangements are working effectively or there are plans in place to strengthen controls.

### **4. Evidence and Reasons for Decision**

- 4.1 Not applicable.

### **5. Alternative Options**

- 5.1 There are no alternative options.

### **6. Financial Implications**

- 6.1 The service expenditure falls within the parameters of the annual budget agreed by the council.

### **7. Resource Implications**

- 7.1 There are no Staff/Property or IT implications

### **8. Other Implications**

- 8.1 There are no Legal /Human Rights/ Equality Impact Assessment (EqIA) /Data Protection Impact Assessments (DPIA)/Health and Safety/Sustainability or other implications.

### **9. Risk Implications / Assessment**

- 9.1 There are no risk implications. Risk Management reports feature in the programme.

### **10. Select Committee Comments**

- 10.1 None.

### **11. Recommendations**

1. Please see the Executive Summary above.

## 12. Background Papers

12.1 None.

### Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

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