

Audit Committee

Date: **Thursday 29 July 2021**

Time: **2 pm**

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

Membership

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

Cllr Michael Dalby
Cllr Terry Jermy
Cllr Mark Kiddle-Morris
Cllr Saul Penfold
Cllr Karen Vincent

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and, in view of Covid-19 guidelines, we would encourage members of the public to watch remotely by clicking on the following link:

https://youtu.be/9sZ0Zo_Pjsk

However, if you wish to attend in person it would be most helpful if, on this occasion, you could indicate in advance that it is your intention to do so. This can be done by emailing committees@norfolk.gov.uk where we will ask you to provide your name, address and details of how we can contact you (in the event of a Covid-19 outbreak). Please note that public seating will be limited.

Councillors and Officers attending the meeting will be taking a lateral flow test in advance. They will also be required to wear face masks when they are moving around the room but may remove them once seated. We would like to request that anyone attending the meeting does the same to help make the event safe for all those attending. Information about symptom-free testing is available [here](#)

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 22 April 2021.

Page 4

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 Census 2021 – Power-point Briefing for the Committee

Report by the Executive Director of Finance & Commercial Services

Page 12

6	Norfolk Audit Services Quarterly Report for the Quarter ended June 2021 Report by the Executive Director of Finance & Commercial Services	Page 25
7	Norfolk Audit Services Annual Report 2020-21 Report by the Executive Director of Finance & Commercial Services	Page 44
8	Annual Risk Management Report 2020-21 Report by the Executive Director of Finance & Commercial Services	Page 59
9	Quarterly Risk Management Report Report by the Executive Director of Finance & Commercial Services	Page 74
10	Local Audit and Accountability Act 2014 – External Auditor Appointments Report by the Executive Director of Finance & Commercial Services	Page 152
11	Monitoring Officer’s Annual report 2020-21 Report by the Director of Governance	Page 163
12	Senior Information Risk Officer Annual report 20-2021 Report by the Director of Governance	Page 173
13	Norfolk Pension Fund Governance Arrangements Report by the Executive Director of Finance & Commercial Services	Page 178
14	Audit Committee Work Programme Report by the Executive Director of Finance & Commercial Services	Page 200

Tom McCabe
Head of Paid Service
Norfolk County Council
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 21 July 2021



If you need this document in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or (textphone) 18001 0344 800 8020 and we will do our best to help.

Audit Committee
Minutes of the Virtual Teams Meeting held on
Thursday 22 April 2021 at 2pm

Present:

Cllr Ian Mackie – Chairman
Cllr Colin Foulger
Cllr Chris Jones
Cllr Judy Oliver – Vice-Chair
Cllr Haydn Thirtle
Cllr Karen Vincent
Cllr Brian Watkins

1A Chairman's Opening Remarks

1A.1 The Chairman paid tribute to the work of Julie Mortimer who had recently retired from the Council after having served as the Committee Administrator for the Audit Committee for many years.

1A.2 The Chairman also paid tribute to the work of Cllr Colin Foulger, Cllr Chris Jones and Cllr Haydn Thirtle who were not standing for re-election to the County Council in the May elections.

1B Apologies for Absence

1B.1 There were no apologies for absence.

2 Minutes

2.1 The minutes from the Audit Committee meeting held on 21 January 2021 were agreed as an accurate record.

3 Declaration of Interests

3.1 Cllr Karen Vincent declared an other interest in item 8 as she was a Member of the Norfolk Pension Fund.

3.2 Cllr Haydn Thirtle declared an other interest in item 8 as he was a Member of the Norfolk Pension Fund.

3.3 Cllr Judy Oliver declared an other interest as the Chair of the Norfolk Pensions Committee.

4 Items of business which the Chairman decides should be considered as a matter of urgency.

4.1 The Chairman placed on record the Committee's thanks to the Norfolk Fire and Rescue Service (NFRS) and Council staff for their work in supporting the Norfolk response to the Covid-19 pandemic.

4.2 The Committee noted that as part of the response:

- 14 NCC colleagues had provided support to hospitals, 3 colleagues had supported vaccination call centres, 2 qualified nurses had supported the vaccinations and 187 hours were provided to GP centres.
- NFRS staff had also provided a huge range of valuable support, including ambulance driving, delivery of essential items to vulnerable persons, delivering PPE and other medical supplies to NHS and care facilities.
- In the first lockdown a total of 982 shifts for East of England Ambulance Service NHS Trust (EEAST) were provided, a total of 13,215 hours of work through the April to July 2020 period.
- In the Jan to April lockdown, a total of 89 staff had volunteered for NFRS NHS bank support. Staff had also provided 430 shifts and 5160 hours assistance with "face fit and swabbing" and 198 Shifts and 2376 Hours assistance with vaccination support.

5 **Presentation on the work carried out by IMT on cyber security, anti-phishing, disaster recovery, etc.**

5.1 The Committee received a presentation (which could be found on the Committee pages website) from Geoff Connell, Head of IMT, that provided an update on the work IMT had completed on cyber security and disaster recovery; phishing exercise, etc.

5.2 During the presentation the following key points were made:

- The Covid-19 pandemic response had massively accelerated existing service digitization and smarter working initiatives.
- The recently published PWC Annual report stated that globally CEOs viewed Cyber security as the 2nd greatest threat after the Pandemic.
- Cybercriminals had access to more sophisticated tools at lower costs than before and were happy to target organisations that were already stretched by Covid-19 response work.
- The Council's secure offline backup arrangements were independently reviewed by the MHCLG Digital Cyber Programme who were funding Norfolk to share this work with relevant partners.
- The cyber security requirements of suppliers and partners was subject to regular review.
- There had been successful ransomware attacks against multiple local authorities nationally. Also, recently a local housing supplier to a small rural Norfolk school had their systems compromised.
- Local government would NOT however pay out against successful ransom attacks This meant that disruption, expense and reputational damage could be significant and was in several well documented recent cases.
- Extended use of artificial intelligence, robotics, sensor networks and other technologic enablers of innovation provided opportunities for better services, but also for additional cyber threats in future.

5.3 During the discussion the following points key were noted:

- At short notice during the pandemic a very successful campaign called “Every Child Online” was launched with the support of Norfolk schools, the EDP, charities and other partners, including private sector suppliers. As part of that campaign, IMT staff managed to provide laptops and help with connectivity issues approximately 5,500 digitally disadvantaged children and assisted hundreds of Norfolk’s schools to tackle a very wide range of IT issues.
- It was also pointed out that the campaign had provided a huge amount of assistance to the Gypsy and Roma and Traveller Community.
- In response to questions about an audit that had shown more people had access to the Data Centre than was necessary it was pointed out an analysis of log in data had shown that there were no breaches in security, nevertheless security systems were strengthened. Councillors were assured that the number of admin accounts and other elevated access privileges had been quickly reduced. Multiple levels of security were in place before anyone could gain access to the physical location and even if they did, and were able to breach the high levels of cyber security, they would still not necessarily have access to the most sensitive data which was stored in secure cloud provision.
- Local Government secured its data and systems very well but was in an arms race with criminals because as soon as security improved the means used for cyber-attack also improved.

5.4 **The Committee RESOLVED to place on record thanks to Geoff Connell, Head of IMT, for the presentation on cyber security and disaster recovery; phishing exercise, etc. and for the work as part of the Every Child Online campaign.**

6 **Norfolk County Council’s Insurance Cover**

6.1 The Committee received a report by the Executive Director of Finance and Commercial Services which provided the Committee with assurance as to how the insurance provision was delivered for the County Council and how claims against the Council were managed by the Insurance Team.

6.2 During discussion the following key points were made:

- It was pointed out that the pandemic had led to a tightening up of the wording used by insurance companies in insurance policies. There had not however been an overall increase in insurance premiums because the County Council remained a good insurance risk.
- It was pointed out that the Council had taken on some of the additional cost pressures that arose from the pandemic. These included costs that arose from the cancellation of school trips, the purchase of PPE, staff duties as volunteers, the use by the Council of buildings that they did not own for storage purposes and certain additional care home and care work costs, some of which were being shared with the NHS and District Council partners.
- The pandemic had led to paper files being scanned into computer systems and more communications taking place through electronic

means. Only the most complex insurance cases now remained in paper form.

6.3 **The Committee RESOLVED to agree that proper insurance provision existed where appropriate, as confirmed by external and internal reviews and accept the report.**

7 **Norfolk Audit Services Report for the Quarter ended 31 March 2021**

7.1 The Committee received a report by the Executive Director of Finance and Commercial Services which supported the remit of the Audit Committee in providing proactive leadership and direction on audit governance and risk management issues. The report updated the Committee on the progress with the delivery of the internal audit work and advised on the overall opinion on the effectiveness of risk management and internal control. The report also set out work to support the opinion and any matters of note.

7.2 During discussion the following key points were noted:

- The key messages from the 2020/21 audits together with a table that showed the current cumulative position could be found on page 36 of the agenda.
- Due to the pandemic many audits were deferred to the 2021/22 audit plan.
- Appendix B to the report showed that there had been a careful risk assessment of those audits that were cancelled or deferred and that an appropriate level of work was planned and prioritised for the current year.
- Despite the pandemic all required grant certifications were completed on time and schools were supported in their audit work.
- At the start of the pandemic schools were unable to participate in audits remotely by use of Microsoft Teams; this position had improved as the year progressed.
- The Committee received a watching brief on the audit assurance work that arose from the new HR and Finance system that would continue to be reported to this Committee. It was noted that a detailed analysis of overall progress with the project was reported on a regular basis to the Corporate Select Committee as a standing item.
- In reply to detailed questions from Cllr Watkins it was pointed out that there had been a careful evaluation of the merits of having more contractors considered in contract procurement processes and of the means used to negotiate fixed fees.
- The Chairman asked for the report to the next meeting to include a brief update on the position regarding each of the deferred audits.

7.3 **The Committee RESOLVED to agree the key messages featured in the quarterly report, that the work and assurance meet their requirements and advise if further information is required.**

8 **External Audits**

8.1 The Committee received a report by the Executive Director of Finance and Commercial Services which introduced the External Auditor's Annual Audit Letter NCC and NPF and Certificate 2019-20, which were attached as Appendix A and Appendix B to the report. The report also introduced the External Auditor's Provisional Audit Plans for the Council and Norfolk Pension Fund 21-22, which were attached at Appendix C and D; and confirmed that the PSAA had published the 2021/22 audit fee scale, following consultation in January and February 2021.

8.2 The Committee welcomed Mark Hodgson and Sappho Powell who attended the meeting from Ernst & Young to present the report and answer questions. The Committee placed on record thanks to David Riglar from Ernst & Young for all his many years of external audit work for Norfolk and to wish him well for the future.

8.3 During the presentation of the report, the following key points were noted:

- The pandemic had not resulted in a significant change in existing risk assessments.
- The approach to risk assessments had remained consistent throughout the pandemic. However, there was an additional risk associated with the accounting arrangements for government grants. This was because there had been a significant increase in the number of individual grants and a quantum increase in the value of these grants in money terms. The accounting arrangements for individual grants was not yet clear which meant that they posed an increased level of risk.
- There was a significant decrease this year in the risks associated with the Council's pension liabilities. This was because last year was a triennial review year.
- A reassessment of the McCloud High Court judgement on pension liabilities had shown a reduction in financial liability from the audit position taken last year.
- Pages 102 and 103 of today's agenda set out a significant change in the approach to value for money taken by the National Audit Office who had issued a new code of guidance to all external auditors in the sector. This showed that while external auditors had not changed the way in which they worked they would no longer be issuing a positive conclusion in the audit opinion and would instead be reporting by exception if arrangements were not adequate.
- It was noted that there was also a new requirement to include the external auditor's commentary on arrangements in a new Auditor's Annual Report.

8.4 **The Committee RESOLVED to note the PSAA scale fees for 2021-22 and to agree:**

- **the External Auditor's Audit Letter and Certificate for 2019-20.**
- **the External Auditor's Provisional Audit Plans for the Council and Norfolk Pension Fund 20-21.**

9 **Audit Committee Terms of Reference.**

9.1 The Committee received a report by the Executive Director of Finance & Commercial Services which set out the Committee's terms of reference and recommended no changes.

9.2 **The Committee RESOLVED to agree the terms of reference for the Audit Committee with no changes.**

10 **Risk Management.**

10.1 The Committee received a report by the Executive Director of Finance and Commercial Services which set out the corporate risk register as it stood in April 2021, following the latest review.

10.2 The following key points were noted:

- The corporate risks mentioned in the report were regularly reported to Cabinet.
- A summary of the key changes could be found in Appendix A to the report.
- Government guidance was awaited about how some of the risks associated with Covid-19 should be risk assessed.
- The risks identified by the external auditors about the impact of new government grants for dealing with Covid-19 and where they should appear in the Council's accounts had yet to be fully assessed. This matter was currently subject to ongoing discussions with the external auditors.
- The Committee would be informed about the reporting mechanism for the implications of Brexit at a future meeting.
- Councillor Jones asked whether the current risk management process was able to fully assess risks overtime and what progress was made over the last 12 months to reduce or close a risk. In reply the Chairman said that it might be useful for the Committee to have an update at the next meeting to establish the scope of risk management in the context of reduction, mitigation, management or closure, as well as a longer term review as to overall progress. The Chairmen felt that there had to be a balance between active risk management and risk avoidance in order to deliver key services, especially during the pandemic.

10.3 **The Committee RESOLVED to agree:**

- **The key messages as per section 2.1 of this report.**
- **The key changes to the generic corporate risk register (Appendix A),**
- **The corporate risk heat map (Appendix B).**
- **The latest generic corporate risks (Appendix C).**
- **Scrutiny options for managing corporate risks (Appendix D).**
- **Background Information (Appendix E).**

11 **Governance, Control and Risk Management of Treasury Management.**

11.1 The Committee received a report by the Executive Director of Finance and Commercial Services which assured Councillors that there were effective

governance, control and risk management arrangements in place in respect of Treasury Management.

11.2 The following key points were noted:

- In reply to questions it pointed out that it was not yet entirely clear how recent changes in the treasury management rules for Public Works Loan Board (PWLB) would be applied and interpreted. The main rule change was that Councils would no longer be able to borrow PWLB money to spend on investment properties or other items purely to generate a financial return. Some other local authorities had used PWLB to borrow large sums of money when compared to their size of turnover and had invested that money in commercial properties with the aim of generating a commercial return on those investments. The Treasury had put the new rules in place to prevent PWLB borrowing for this kind of activity.
- The County Council was not in a position of having to borrow money in advance of being able to meet its capital needs. Capital funds were usually fully spent on projects within a year or two of Government funding being obtained. Most capital projects were initially funded from cash reserves, with this funding replaced by borrowing within a year or two.

11.3 **The Committee RESOLVED to agree the report, noting that it provided assurance to the Audit Committee as to the adequacy and effectiveness of the governance, control and risk management arrangements for Treasury Management.**

12 **Anti-Fraud and Corruption Strategy and Whistleblowing Update and Anti-Fraud and Corruption Annual Report 2020-21.**

12.1 The Committee received a report by the Executive Director of Finance and Commercial Services which set out Norfolk Audit Service (NAS) Anti-Fraud, Bribery and Corruption Strategy which continued to direct the proactive anti-fraud work undertaken by NAS.

12.2 The following key points were noted:

- The Covid-19 grants were the subject of a fraud risk assessment. A useful document was produced to help front-line staff tasked with allocating payments and considering claims and requests for emergency assistance. The document helped front-line staff to better understand government guidance and the delicate balance between the emergency and the controls necessary for avoiding fraud.
- The Chairman pointed out that the District Councils were in a similar position to that of the County Council in allocating payments and avoiding fraud with Covid-19 grants and there were lessons to be learnt from each other at the appropriate time.
- The Chairman also said that he was pleased with the process that had been made with E-learning training being rolled out to all office-based staff.
- The reporting mechanism for raising whistle blowing concerns (that was mentioned on page 231 of the agenda) would be reviewed with a view to including mention of County Councillors.

- It was noted that this periodic report should be placed higher on the agenda for the next meeting.

12.3 **The Committee RESOLVED to agree:**

- **The content of the Anti-Fraud, Bribery and Corruption and Whistleblowing report (Appendix A), the key messages, that the progress is satisfactory, and arrangements are effective.**
- **the consequential changes to the content of the updated whistleblowing policy at Appendix B.**
- **the consequential changes to the content of the updated Anti-Fraud, Bribery and Corruption Policy at Appendix C**

13 **Work Programme**

13.1 The Committee received a report by the Executive Director of Finance and Commercial Services setting out the work programme.

13.2 The Committee considered and **noted** the report.

The meeting ended at 4.20 pm

Chairman



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

Norfolk County Council Audit Committee Census 2021

Paul Askew

LA Partnership Team Manager

Most people did Census without help from us...

- National campaign reached most people
- Online Census worked smoothly and was easy for respondents

For those that needed help

- Contact centre successfully dealt with high volumes of calls
- Field operation was conducted in a COVID-safe way – protecting staff and public
- Field staff had up to date information to follow up non-responding households
- Extensive media coverage and engagement work

Based on proportion of occupied households (after removing those addresses field staff identified as vacant)

- Over 97% return rate – exceeding our 94% target
- Over 90% in every Local Authority – exceeding our 80% target
- We have also met our target of minimising the variability in return rates between areas within LAs in every LA
- Final rates will be known after the CCS and estimation process

- Impact of COVID-19
 - Location of students
 - Face-to-face activities limited
 - Engagement events
 - Field staff
 - Census Support Centres
- Death of HRH Duke of Edinburgh

- 99.5% of LAs in England and Wales had a Census Liaison Manager and/or an Assistant Census Liaison Manager
- 93% of LAs attended at least one census workshop
- 88% of LAs used social media to promote the census
- 85% of LAs included census information on their website



LAs helped to promote our school campaigns



LAs helped to promote census on social media



LAs helped to promote jobs



LAs helped to distribute posters & leaflets

- Census Liaison Managers (CLMs) and/or Assistant Census Liaison Managers (ACLMs) in all councils
- 2 Census Engagement Managers (CEMs)
 - Kerry covering Norwich City Council, Great Yarmouth Borough Council, Broadland District Council and South Norfolk District Council
 - Paul covering King's Lynn and West Norfolk Borough Council, Breckland Council and North Norfolk District Council
- Working Group meetings with lower tier councils and ONS

- An excellent example of collaborative work across county and district councils
- Elected members' briefing attended by over 80 elected members
- Large reach on social media



WestNorfolkBC @WestNorfolkBC

It's @Census2021 weekend. @KLTownHall was lit up purple last night to remind everyone to complete their census.

Taking part in the census is your chance to help make sure you and your community get the services you need for the next 10 years and beyond.

census.gov.uk



SouthNorfolkCouncil @SNorfolkCouncil

Today is Census Day, Please remember to fill in your form 📄.

The census happens every 10 years. Each household in our area will be asked to take part. Find out more about what the census means for you at census.gov.uk or follow @Census2021

Census 2021.
I've done mine, have you done yours?
#CensusDone


census 2021

broadlanddc @BroadlandDC

There's nothing quite like the census. It helps us plan many of the services we provide across Broadland. The next census is taking place 21 March 2021. 🙌

census 2021

The census counts everyone in England and Wales



Office for National Statistics census.gov.uk

Norwich City Council @NorwichCC

Less than two weeks to go until census day!

Visit census.gov.uk to find out more.

Census 2021 - England & Wales @Census2021 · Mar 7

Only two more weeks until census day! Remember to fill in yours on Sunday 21 March. You can complete yours earlier, as soon as you get your code. If you'd like to know more about the census visit census.gov.uk

21 Census day is coming

0:10 6.5K views

North Norfolk District Council

21 March · 🌐

It's not too late to fill in your Census, the information is really important to all of us as it informs future planning for services in our communities! 🙌

census 2021 21 March · 🌐

Happy Census Day to one and all. Remember if you need help completing your form today we have plenty of resources on our available website, and we can answer lots of your questions right here on Facebook

Breckland Council @BreckCouncil

It's Census Day!

If you need help filling in your census online, Norfolk Libraries are on hand to help. You can book an appointment by calling one of their Census Support Advisors on 01603 774777.

For more info 📄 census.gov.uk

#CensusDay

The census is a unique survey that takes place every 10 years in England and Wales.

By taking part, you'll help inform decisions that shape your community.

census 2021



Gt Yarmouth Council @greatyarmouthbc

If you've missed #CensusDay there's still time to complete your census! There are census support centres across England, offering support. Visit ow.ly/iXuD50Eo9TI to find a centre near you or call 0800 141 2021 for help or to order a paper questionnaire. #CensusDay2021

There's still time to take part in the census

Filling in the census is everyone's responsibility. We can help you complete yours today.



Office for National Statistics **it's about us census 2021**

- Elected member concerns over broadband connection and digitally excluded residents
- Paper questionnaires were sent to:

Local Authority	Total LSOAs	% Paper first	% Online first
Breckland	78	10%	90%
Broadland	84	4%	96%
Great Yarmouth	61	15%	85%
King's Lynn and West Norfolk	89	13%	87%
North Norfolk	62	21%	79%
Norwich	83	13%	87%
South Norfolk	81	4%	96%

Census 2021 paper/online return rates will be available with census outputs next year

Everything you need to know about Census 2021 in Norfolk

 Nick Richards



Published: 9:00 AM January 18, 2021 Updated: 1:16 PM January 19, 2021



Census 2021 engagement manager Kerry Skelding - Credit: Submitted

In nine weeks time a vital snapshot of the UK will be taken. Nick Richards spoke to the people in charge of making Census 2021 runs smoothly in Norfolk

Lynn News SINCE 1841

[Home](#) [News](#) [Education](#) [Sport](#) [What's On](#) [Lifestyle](#) [Business](#) [Contact](#) [Subscribe](#) [Advertise](#)

[Home](#) > [News](#) > [Article](#)

Census to go ahead in West Norfolk with digital-first approach

By Lucy Ruthnum - lucy.ruthnum@iliffpublishing.co.uk

Published: 13:18, 05 January 2021 | Updated: 13:20, 05 January 2021



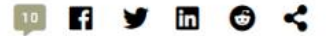
Lockdown measures will not stop the 2021 census from going ahead as a digital-first approach is revealed to West Norfolk residents.

Residents across the area can expect to receive a letter with a unique access code in the post ahead of March 21, with the option to complete the questionnaire online using a unique access code, or to request a paper form.

Census engagement manager for Lynn, West Norfolk Breckland and North Norfolk, Paul

North Norfolk to be sent paper copies of Census 2021 despite digital focus

 Sabrina Johnson



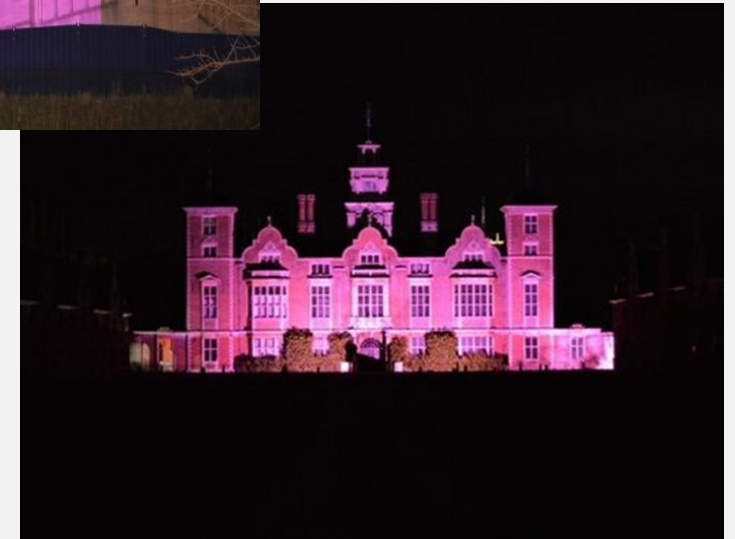
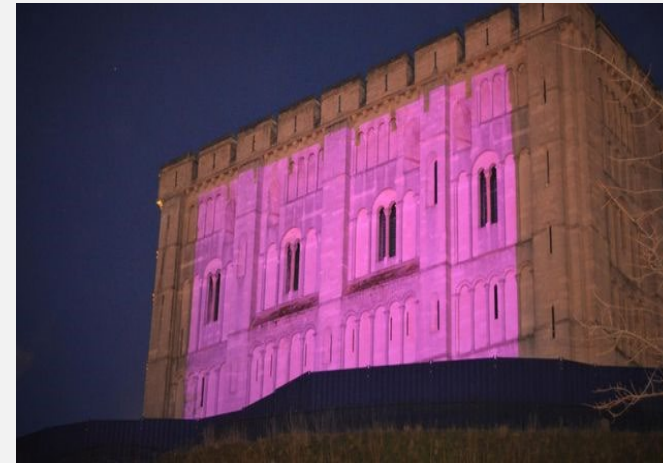
Published: 11:00 AM January 16, 2021



Paul Walmsley, census engagement manager for Kings Lynn and West Norfolk, Breckland and North Norfolk - Credit: Office for National Statistics

An older population and poor digital coverage mean large parts of north Norfolk will automatically receive paper copies of this year's census, despite the questionnaire being digital-first.

Census 2021 Light up purple campaign



- Contract via The Good Things Foundation: £58,120
- Norfolk Libraries: Dry Run Testing site for ONS
- Provided up to 70 hours of support in 6 Districts (Norwich City Council delivered own contract)
- 24 staff volunteered to be trained as Census Advisors
- Managed by library coordinator and Locality Manager
- 4727 predicted people expected to require support
- Started with remote telephone support then added face- to – face from 8 March 2021 when reopened
- Local people appreciated local support

Census 2021
digital support from
Norfolk Library and Information Service

17 Libraries
in top performing
areas of the country

 **over**
17.5
hours
general
support

120 appointments
by phone and
face-to-face

Just completed my first
appointment... she was so grateful I
was able to do all the typing for her
and for how helpful I was able to be

cyfrifiad census 2021

21 July 2021

Audit Committee

Item No. 6

Report title:	Norfolk Audit Services Report for the Quarter ending 30 June 2021
Date of meeting:	29 July 2021
Responsible Cabinet Member:	Not applicable
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services
Is this a key decision?	No
Executive Summary <p>The Section 151 Officer has a duty to ensure there is proper stewardship of public funds and that relevant regulations are complied with.</p> <p>The Audit 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.</p> <p>The Council has an approved Business Plan, 'Together, for Norfolk' setting out a clear set of priorities. Internal Audit's work will contribute to these new priorities through the activity set out in supporting Service Plans.</p> <p>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 2020 the system of internal control, including the arrangements for the management of risk was acceptable and therefore considered sound.</p> Recommendation <ul style="list-style-type: none">• To consider and agree: -<ul style="list-style-type: none">○ the key messages featured in this quarterly report, 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 Audit Committee in providing proactive leadership and direction on audit governance and risk management issues. The purpose of this report is to update the Audit 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 Audit 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

The key messages are as follows: -

2020/21 Opinion work

- 2.2
- **Appendix A** details the final reports Issued in the Quarter ending 30 June 2021.
 - **Appendix B** details the audits that have been undertaken which were considered relevant to continue with in 2020/21. To avoid any potential audit burden and impact due to responses to the ongoing Covid-19 situation, those audits were grouped into four risk assessed categories during the year as follows: -
 - Opinion Work (Final, Draft or work which is well progressed)
 - Audits which would be deferred if it is deemed to hinder the delivery of front-line services
 - Audits which would be deferred if it is deemed to hinder the delivery of back office functions
 - Audits which could be deferred until 2021/22 as considered a lower priority
 - A position statement for deferred and cancelled audits is also detailed in Appendix B.
 - At the April Audit Committee, it was requested that where audits had been deferred (9) or cancelled (3) the Committee were advised. Those audits are also detailed in **Appendix B**.
 - Our current cumulative position as at 31st March 2021 on 2020/21 audits is shown in the table below.

Status	Number
Final reports and Management Letters	18
Draft reports	0
WIP	1
Not started	0
Cancelled	3
Deferred	9
Total audits	31

2020/21 Grant Certifications

- The grant certifications completed up to the end of quarter 4 are detailed in **Appendix C**. All the required grant certifications have been completed on time.

2020/21 Traded Full School Audits

- Due to Covid-19 and restrictions for in-person visits, we have been unable to undertake any traded full school audits during 2020/21. This is not considered a material limitation.
- During 2020/21, our audit programme was adapted to enable traded full school audits to take place remotely and 'pilot' audits were completed with two schools during March and April 2021.
- Traded full school audits for 2021/22 are now being completed and plans are in place for more to take place in September 2021.

Overall Opinion

- This quarterly NAS report confirms that the overall opinion on 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)

Watching Brief

- NAS continue to undertake a watching brief on the replacement Finance and HR project and have liaised regularly with the Programme Director and have attended programme workshops in the last quarter. NAS have meetings scheduled with programme project officers to carry out assessments of the control's framework.

Follow Up Work - High Priority Findings

- There are no outstanding corporately significant high priority findings.
- We have recently reviewed our policy regarding the follow up of progress with implementing the recommendations made for medium and high priority findings. We have only been following up on progress with recommendations for red priority findings where the audit topic was deemed to be 'Corporately significant' and completed a full 'Follow Up' audit where a 'Key Issues – red' opinion was given. We have decided to utilise the full functionality of our upgraded audit system. This allows us to set up business contacts and request that a status update is provided for all actions in relation to recommendations for medium and high priority findings. Updates will be reviewed, and recommendations classed as implemented in agreement with business contacts when all the actions have been completed. This will enable us to report to Audit Committee on how many of our recommendations are implemented or not.

France Channel England (FCE)

- There is satisfactory progress of the Audit Authority work for the France Channel England Interreg Programme.

Other

- Internal Audit's mission is to enhance and protect organisational value by following Public Sector Internal Audit Standards (PSIAS). CIPFA Services were commissioned to undertake an external quality assessment in early 2017. An independent external quality assessment of how the Public Sector Internal Audit Standards (PSIAS) are being met by us is required every five years and our next review is not be due until 2022. Self-review against the PSIAS is ongoing in the meantime, and the results will be reported to Audit Committee in our Annual Report.

Anti-Fraud and Corruption

- NAS Anti-Fraud, Bribery and Corruption policy and Strategy continues to direct the reactive and proactive anti-fraud work undertaken.
- There were no new fraud referrals during the period.
- Two previous investigations completed and passed to Norfolk Police are still actively under investigation.
- The National Fraud Initiative data matching is currently being reviewed with departments. To date the NFI has successfully identified a duplicate payment to a supplier of £30,589 which resulted in full recovery of the funds.
- The Investigative Auditor has attended meetings and conferences during the period including the London Audit Group Fraud Special and the South East Fraud Hub meeting. Information (non-confidential) is shared with other LA's to assist with preventing and detecting more fraud and the meetings continue to be valuable resource for understanding the fraud landscape and trends.

Whistleblowing

- The Chief Legal Officer and Chief Internal Auditor champion the Whistleblowing Policy. It is their role to ensure the implementation, integrity, independence and effectiveness of the policy and procedures on whistleblowing.
- Following a question raised at the previous Audit Committee meeting, County Councillors have been added to the Whistleblowing Policy as one of the available contacts for raising a concern.
- Two new referrals have been received during the period, one relating to a service provider and a second relating to internal mechanisms. The referrals are under consideration and action.
- Two further information reports received internally are being taken forward by the investigative auditor via the Council's disciplinary procedures.

- It can be demonstrated that all previous referrals have been taken seriously and treated with due consideration. Enquiries arising from referrals have resulted in action being taken including independent investigation where required.
- A benchmarking exercise against the whistleblowing charity “Protect” best practice recommendations is currently under way. The exercise was first completed in 2019 and found that the Council had effective governance for whistleblowing controls, however the Council would benefit from further promotional activity. The activity was completed in 2020. Outcomes from the exercise will be reported to the Audit Committee
- Technical notes are at **Appendix D** 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 Business plan, ‘Together, for Norfolk’.
- 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 included 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.

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 no IT implications

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)

No implications

8.4. Health and Safety implications (where appropriate)

There are no health and safety implications

8.5. Sustainability implications (where appropriate)

There are no sustainability implications

8.6. Any other implications

There are no other implications

9. Risk Implications/Assessment

9.1. Not applicable

10. Select Committee comments

10.1. Not applicable

11. Recommendation

11.1. See Action Required in the Executive Summary above.

12. Background Papers

12.1. Internal audit strategy, our approach and 2019-20 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: Adrian.thompson@norfolk.gov.uk



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.

Norfolk Audit Services

Final Reports Issued in the Quarter ending 30 June 2021

NOTE: This report is for audits completed to the 30 June 2021. Any audits completed up to the Audit Committee meeting will be reported verbally at the meeting.

Final Reports: - Issued in Quarter 4

2020/21 Audit Plan: -

A. Opinion Work

1. Castle Keep Project Build - Acceptable

Audit Objectives: -

1. To ensure there is a relevant and adequate control framework in place for the type of contract and works to mitigate the risks of the construction project going over budget and being delivered late; including project management, governance, risk management, financial control and health and safety.
2. To ensure change controls are in place to support quality.
3. To ensure compliance with the requirements of COVID 19 legislation.

2. Digital Norfolk transformation (Smarter Working) – Acceptable

Audit Objectives: -

1. To provide assurance over the adequacy and effectiveness of the controls in place to deliver the pre-Covid 19 initiated projects managed by IMT, ensuring these are commensurate and proportionate.
2. To provide assurance that the key elements of the IMT Project Delivery process have been followed for pre Covid-19 initiated projects as expected.
3. To provide assurance over the adequacy and effectiveness of the controls in place to deliver the projects initiated after the arrival of the Covid-19 response where the process was reduced.
4. To ensure the assessment for the implementation of projects adequately considers any potential effects on IMT resources.
5. To identify good practices from both the projects initiated pre-Covid-19 and those initiated after the arrival of Covid-19 to take forward when delivering and managing projects in the future.

3. Discharge to Assess NHSE Covid-19 Recharges – Key issues – Red

Audit Objectives: -

To provide assurance over the adequacy and effectiveness of the controls in place: -

1. To ensure that the costs being claimed for from the CCG are complete, accurate and timely.

2. To ensure the calculation of the offset amount deducted from the monthly claim is complete and accurate.
3. To ensure that the report used to generate the costs to be claimed for is fit for purpose.
4. To ensure that Locality Managers are performing adequate and sufficient reviews of care packages and services agreements each month.
5. To ensure that unplanned, emergency packages are identified, assessed and become planned care packages in a timely manner in order for the care costs to be included in the monthly claim in a timely manner.
6. To ensure that the costs associated with care packages and service agreements are added to or updated on LAS in a timely manner to inform the monthly claim to the CCG.

Robust action plans are in place to address our recommendations as follows: -

Management were asked to: -

- a) Consider how integration between the teams whose roles impact the recharge claiming process to ensure the data process is joined up, quality assured with clear accountabilities.
- b) Strengthen data quality on the Liquidlogic Adult System (LAS) to ensure there is a consistent approach to data input across all users.
- c) Request that the Quality Assurance Team complete regular audits on the quality of Service Request Forms.
- d) Continue to promote the guidance to staff and assign a person responsibility for preparing and updating guidance.
- e) Continue to ensure that the risk assessed checking and reconciliations continue to confirm the completeness and accuracy of the claims.
- f) Advise the Executive Director timely of any exceptions to the requirement to provide responses from localities which should be investigated, and remedial action taken.
- g) Provide clear instructions to localities, with specific details of what is required from them and to ensure localities should check all lines in their report, to confirm the accuracy and completeness of the data, and update LAS where required.
- h) Ensure localities respond to the Budgeting and Accounting (B&A) Team by the deadline date.
- i) Consider if any testing of the Broadcare data (CCG system) is required as this is being used as a second check for the offset amount.
- j) Provide the Executive Director with assurance that the 10-day limit for the Care Package Line Items (CPLIs) updates has not resulted in any relevant ones being excluded from the claim.
- k) Notify the Brokerage Team that the B&A Team are using a 10-day timescale as a cut off point for relevant CPLIs and ask Brokerage Team to inform the B&A Team that they have met this timescale and are confident that all relevant CPLIs have been added to ContrOCC.
- l) Improve communications, with all teams coming together to understand how what they do effects how the data is picked up for the recharge claim.
- m) Consider if any further testing of the Reinstatement Scheme Master List is required.

- n) Ensure that a process for identifying and monitoring the requirement for a Scheme 2 service user assessment is put in place timely, to ensure they are carried out within the six-week period.

Management Update to Recommendations and Actions

We welcome the findings of the internal audit and their ability to focus our work during the initial stages of the Covid-19 pandemic. Both Norfolk County Council (NCC) and Norfolk & Waveney Clinical Commissioning group (NWCCG), like all other Local Authorities and CCGs, implemented a new hospital discharge programme as per the national guidance provided by Central Government at the height of the pandemic. In following this guidance, we were able to agree a recharge/reclaim process for certain costs from NHS England & Improvement (NHSEI) through a centrally collated process led by NWCCG. In order for this to happen at pace, a collective of officers from across the Council worked rapidly to design a new process, including revisions to our Social Care system, that enabled a capturing of the appropriate data to facilitate the reclaim mechanism. Alongside this process, we signed a S75 (NHS Act) agreement with NWCCG to allow the guidance and reclaim process to be formally agreed between local Health and Care partners. In order to ensure our approach to implementing the guidance was correct and consistent, we facilitated weekly regional ADASS calls with our other Councils from the Eastern region which allowed us to gain further confidence in our approach. The NHS reclaim process for 2021/22 generated £36m of funding for NCC and allowed us to facilitate the prompt discharge of patients in line with the guidance. The reclaim process named as "Scheme 2" is now closed and we operate under a revised set of guidance issued recently.

As we continued to evolve our recharge progress for later iterations of the reclaim process, we: -

- a) Redeployed a Programme Manager and Project Manager from our Transformation Programme to oversee the arrangements.
- b) Created weekly governance arrangements whereby senior officers (leads) met to discuss the discharge progress.
- c) Shared raw, anonymised data with NWCCG in order for each partner to reconcile data within the reclaim.
- d) Met each month with NWCCG to agree the monthly reclaim before submitting the official claim.
- e) Ensured the Finance Business Partner for Adult Social Care signed off the NCC claim ahead of submission.
- f) Dedicated staff from both the Budgeting and Accounting and Insight and Analytics teams to ensure the robustness of the data.
- g) Created a dedicated central operational team to both undertake timely assessments but also correct any errors found in the data.
- h) Issued regular guidance to internal staff about the hospital discharge process (including reclaim) and via Teams undertook multiple all staff drop-in sessions led by Senior Management.
- i) Asked our Quality Assurance Team to sample test data and cases within the claim.
- j) Ensured each month's claims enabled a process to test the previous submitted data and make any adjustments to these previous claims.
- k) Created a new Power BI Dashboard to specifically track hospital discharges into Social Care.

- l) Ensured Adult Social Care were briefed on progress towards the reclaims each month.
- m) Seconded an Operational Director to lead the Norfolk and Waveney long term plan from Discharge to Assess.
- n) Created a new internal board to oversee the Social Care input into the Discharge to Assess plan.
- o) Moved away from being dependent on a 10-day cut off process to ensure a wider array of information was included.
- p) Continue to send information to locality operational teams with a covering letter describing the process. Any non-returns are followed up and escalated where appropriate.

4. Disaster Recovery – Key issues – Amber

Audit Objectives: -

1. To provide assurance over the adequacy and effectiveness of the controls in place to ensure the County Council can recover in a quick, logical, prioritised and agreed manner in the event of a disaster which is preventing the communication and sharing of information internally or externally.
2. To ensure regular testing of disaster recovery plans take place.

Robust action plans are in place to address our recommendations as follows: -

Management were asked to: -

- a) Bring the relevant disaster recovery documentation in place together and form a formal Disaster Recovery Plan for the County Council and to include and distribute all the documents needed for recovery to those who need to have a copy and hold these within and outside of the County Council's systems securely.
- b) Ensure that after all major incidents have been resolved, a report is completed in full in a timely manner.
- c) Establish and document a testing strategy within the County Council's Disaster Recovery Plan when this is in place, and then develop and document a Disaster Recovery Testing Plan based on the strategy.

B. Management Letters

1. **Fund 11** (This is used for the payment of set up fees and costs for each agreed project within the FCE programme, for claims reimbursement and for the newly established pre financing payments)

The audit objective was to provide assurance over the adequacy and effectiveness of the controls in place for the Oracle fund 11 ledger. Six non-graded findings were raised for management's consideration.

C. Norfolk Pension Fund

1. **Cyber Security** - Acceptable

Audit Objective: -

1. To provide assurance that the approach being used by NPF to confirm the adequacy of controls in place to prevent, detect and deal with cyber-attacks is reasonable and in accordance with TPR guidance for trustees.

Opinion Work (Final, Draft or work which is well progressed)				
CES Highways Asset Management Strategy – Final Report Issued	Service risk	5	Assurance over the annual self-assessment assurance process - DfT Incentive Fund.	Growing Economy
CP Asset and Property Disposals at Auction – Final Report Issued	Financial risk	15	Assurance that the controls to manage the auction process are appropriate and working in practice.	Growing Economy
IMT Data Centres – Final Report Issued	IT Service risk RM14140	15	Assurance on the controls in place to manage and operate the two data centres including environment control, fire protection, access and physical security.	N/a
IMT Service Performance – Final Report Issued	General IT and Service Delivery risk	30	Assurance on the controls in place to ensure the service desks are delivering within expected SLAs and that these are being effectively managed and monitored.	N/a
CPT Procurement (NPS & Norse) – Final Report Issued	Financial risk	20	Assurance that the controls in place for procurement are appropriate and working in practice, including the checks completed on bidders and the oversight of NPS and Norse by County Council of their procurement activities.	N/a
CES Third River Crossing Part 1 – Final Report Issued	Project risk RM024	20	Review and challenge of the 'Total of the Prices' as part of the contractor's tender submission.	Strong Communities
Discharge 2 Assess NHSE Recharges – Final Report Issued	N/a	30	To provide assurance over the adequacy and effectiveness of the controls in place to make a complete and accurate claim to the Norfolk and Waveney CCG.	N/a

IMT Disaster Recovery – Final Report Issued	IT Service risk RM14142 / corporate risk RM010 and RM016	15	Assurance on the controls in place to recover systems and to continue to communicate and share information internally and externally in the event of a disaster, taking into account the new systems coming onboard.	N/a
FES Payments to Clients – Final Report Issued	Financial risk	30	Assurance that the controls to manage payments to clients are appropriate and working in practice	Thriving People
ASS Social Care Centre for Engagement (SCCE) – Final Report Issued	Service risk	15	Assurance that the process is working in practice.	Thriving People
CHS Transition of 16-17-year olds to independence – Final Report Issued	Service risk	15	Assurance on the process that 16-17-year olds follow to achieve independence, including the sufficiency and adequacy of accommodation for this group of people.	Thriving People
CES Castle Keep Project Build – Final Report Issued	Project risk	20	Assurance on the controls in place to manage the building works to ensure that the work is delivered as expected, on time and in budget.	Strong Communities
FIN Treasury Management – Final Report Issued	Financial risk	15	Assurance that the controls to manage the County Council's financial investments are appropriate and operating in practice taking into account the Treasury Management Code.	N/a
IMT Digital Norfolk Transformation Programme (Smarter	General IT risk	25	Assurance on the controls in place to ensure that the transformation programme is well governed, managed and monitored to deliver the	Strong Communities

Working, LAN / Wifi) – Final Report Issued			expected benefits and savings.	
Fund 11 (This is the bank account used for all FCE transactions) – Final Mgmt Letter Issued	Financial risk	15	To provide assurance over the adequacy and effectiveness of the controls in place for the Oracle Fund 11 ledger.	N/a
Third Party Access (Suppliers and Staff) Final Mgmt Letter Issued	IT risk	2.5	To provide assurance over the adequacy and effectiveness of the controls in place for third-party system access for suppliers, and staff requests managed via MyIT.	N/a
FIN Financial Management Code – Final Mgmt Letter Issued	Financial risk	15	Assurance over the preparedness for the new Financial Management Code.	N/a
CHS Foster Carers' Monies – Final Mgmt Letter Issued	Service risk	15	Assurance that the monies provided to Foster Carers is spent on foster children.	Thriving People
Bridges Team (Risk assessment and H&S) – In Progress	Compliance and statutory risk	20	To provide assurance that the risk management of resource allocation and health and safety management is in place and is adequately and effectively operated by the Bridges Team.	N/a
Position Statement for Deferred and Cancelled Audits in 2020/21				
ASS Follow up of Transforming Care Programme audit recommendations – deferred Included in the	Service risk	10	Follow Up of previous recommendations (2018/19).	Thriving People

2021/22 Audit Plan				
CHS SEND Capital Programme – deferred Included in the 2021/22 Audit Plan	Corporate risk RM030	20	Assurance on the controls to deliver the capital programme on time and to budget.	Thriving People
ASS Discharge to Assess – deferred Included in the 2021/22 Audit Plan	Service risk	20	Assurance that our policy is aligned with national process and is being followed in practice.	Thriving People
CHS Transformation Programme (SEND and Social Care) – deferred Included in the 2021/22 Audit Plan	Corporate risk RM030	20	Assurance on the controls in place to ensure that the transformation programme is well governed, managed and monitored to deliver the expected benefits and savings.	Thriving People
HR PDPs – cancelled Discussions with the area are taking place to ascertain whether audit assurance work is still required in this area.	HR risk	20	Assurance that quality PDPs are being developed with staff and in accordance with the guidance.	
H&S DSE Assessments – cancelled Discussions with the area are taking place to ascertain	H&S risk	25	Assurance that employees are complying with the requirements of this policy and that managers are monitoring compliance.	

whether audit assurance work is still required in this area.				
FES Financial Assessments – deferred Included in the 2021/22 Audit Plan	Financial risk	20	Assurance that the controls to assess the financial status of potential clients are appropriate and operating in practice.	Thriving People
ASS Continuing Health Care (CHC) (New to Audit Plan) – deferred Included in the 2021/22 Audit Plan	Service risk	20	Assurance that our policy follows what is legally required and is being followed in practice.	Thriving People
CES Third River Crossing Part 2 – deferred Included in the 2021/22 Audit Plan	Project risk RM024	10	Assurance on the operation of the controls in place to manage the building works to ensure that the work is delivered as expected, on time and in budget.	Strong Communities
CES NCC Environmental Policy – deferred Watching brief - We are monitoring progress with the County Council’s work in this area before considering whether audit assurance work is required.	Departmental risk	15	Assurance that the newly agreed environmental policy is well governed, managed and monitored to deliver the expected deliverables.	Strong Communities
CES Scottow Enterprise Park (SEP) –	Service risk	20	Assurance that effective governance arrangements are in place to manage and monitor	Growing Economy

cancelled Work has been incorporated into the AGS audit work for Hethel Innovation Ltd			the SEP, and that the purpose of the SEP is being delivered.	
Proc Public Services (Social Value) Act 2012 & Processing Agreements – deferred Included in the 2021/22 Audit Plan	Data Protection & legislation risk	15	Assurance that processing agreements are in place between us as the Data Controller and those we contract with who are Data Processors. Assurance that we have complied with the requirements of the Public Services (Social Value) Act to consider and consult regarding social value when procuring contracts above the relevant Public Contract Regulation threshold.	N/a

KEY: -

- ASS – Adult Social Services
- CHS – Children’s Services
- CES – Community and Environmental Services
- FES – Financial Exchequer Services
- FIN – Finance
- CP – Corporate Property
- Proc – Procurement
- H&S – Health and Safety
- HR – Human Resources
- IMT – Information Management Technology

Grants certified up to quarter ending 31 March 2021

LGA	EU	Other
Fire (June 20)	Endure (P/e June 20)	Norse (P/e March 20)
Blue Badges (July 20)	CATCH (P/e July 20)	Sheringham Community Primary School - Teaching School Core Grant
Transforming Cities Programme (Oct)	PROWAD (P/e Aug 20)	Sheringham Primary National Teaching School – Emergency Fund
Transforming Care (June 20)	SAIL (P/e Oct 20)	Family Focus (P/e Jun 20)
A140 Hempnall Roundabout (Sep 20)	Endure (P/e Dec 20)	Family Focus (P/e Sep 20)
CES	Monument	Police & Crime Panel (P/e March 20)
LA Bus subsidy (Sep 20)	Mobi-Mix	Local Full Fibre Network (Instalments 1, 2, 3 & 4)
Disabled Facilities (Oct 20)	Green Pilgrimage (P/e Dec 20)	Police Crime Panel (P/e August 20)
Covid 19 Bus Support	Bidrex (P/e Dec 20)	Income Compensation Scheme for Lost Sales, Fees and Charges
Dedicated Home to School and College Transport	FACET (P/e Nov 20)	Family Focus (P/e Dec 20)
	CATCH (P/e Jan 21)	Family Focus (P/e Mar 21)
	PROWAD (P/e Feb 21)	ESFA 16-19 Funding

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.

Corporate High Priority Findings

The progress with resolving the Corporate High Priority Findings is acceptable. A more robust process has been put into place to ensure NAS undertake follow up audit work on Corporate 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.

France (Channel) England (FCE) Update

Good progress has been made against the delivery of the audit plan.

Audit Committee

Item No.7

Report title:	Norfolk Audit Services' Annual Report for 2020/21
Date of meeting:	29th July 2021
Responsible Chief Officer:	Executive Director, Finance and Commercial Services
Strategic Impact The Audit 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 at Appendix 2 (please click underlined text for links to the webpage).	

Executive summary

Norfolk Audit Services (NAS) fulfils the internal audit function for the County 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 County Council's [vision and strategy](#), 'Together, for Norfolk'.

This report sets out the:

- Introduction (Section 3)
- Our opinions (Section 4)
- Our Quality Assurance and Improvement Programme (Section 5)
- Our Performance (Section 6)
- Financial implications (Section 7)
- Issues, risks, staffing and innovation (Section 8)
- Council's Financial Statements and Fraud (ISA 240) (Section 9)
- Background papers (Section 10)

The COVID-19 outbreak, which started in late 2019 and developed rapidly during early 2020, meant that the Council deployed the Civil Contingencies Act 2004 provisions and in order to follow government guidance on remote working and social distancing suspended Council meetings. This was an emergency situation and response to the many government announcements had to be made quickly. An exercise to assess the response made is expected to take place in the future. Since 17 March 2020, all NCC colleagues have been working from home where possible. Technology improvements were rolled out swiftly to enable this. Some colleagues continued to work in the community where their role required it. Where essential services required colleagues to be in a premises, or if they do not have a suitable homeworking environment or for wellbeing reasons, measures were put in place to enable this. Non-essential buildings were closed and activities were re-prioritised to reflect the new reality. A rapid roll-out of "soft telephony" (MS Teams), Teams voice conferencing facilities and other remote working technology (such as Zoom) was undertaken and has enabled over 5,000 employees to access NCC

systems remotely and continue to support the organisation and the public. Additionally, grants of up to £250 were available to staff to purchase office-related items to further enable home working. How we have delivered our services and which services remained active has kept in step with national guidelines and infection prevention and control measures identified through NCC risk management process. A detailed report on the Covid-19 response and the financial implications was reported to Cabinet on Monday 11 May 2020. The report can be found at this [link](#). A Council response to COVID-19 initial lessons learned report was reported to Cabinet on Monday 3 August 2020. The report can be found at this [link](#). A report providing a progress update on the action plan went to Cabinet 2 November 2020. The report can be found at this [link](#). The Cabinet has also received reports on outbreaks and locally supported contact tracing. In-person Council Meetings, with social distancing measures employed, restarted in May 2021.

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, the system of internal control, including the arrangements for the management of risk during 2020-21, was acceptable and therefore considered sound. A further update report on the COVID -19 Governance arrangements was reported to the Audit Committee in January 2021. The report is [here](#) (Appendix C - page 19).

The impact of the Covid-19 outbreak for ongoing ways of working, internal controls, risks and governance were continually reviewed, monitored and managed during 2021-21. The Chief Internal Auditor is satisfied that the arrangements in place provide ongoing assurance. The Council is alert to recent local authority Public Interest reports; the risks, consequences and any lessons that can be taken for sustaining and or further strengthening governance, if required to meet new challenges.

Note 1: Councils are category one responders under the Civil Contingencies Act 2004, which sets out the legislative framework for responding to emergencies such as the Covid-19 outbreak. As part of the local resilience forum councils work with local partner organisations to plan and activate emergency responses and there are established officer-led processes for leading the strategic (gold), tactical (silver) and operational (bronze) responses under the 2004 Act.

Recommendation:

The Audit Committee is recommended to consider and agree:

- Our opinion on the overall adequacy and effectiveness of the County Council's framework of risk management, governance and control for 2020/21 is 'Acceptable'.
- The audit service provided by NAS continues to conform with the International Standards for the Professional Practice of Internal Auditing (Public Sector Internal Auditing Standards (PSIAS)) and complies with the Accounts and Audit Regulations 2015 (as amended).
- The Annual Governance Statement (AGS) for 2020/21 will refer to this report and will be reported to this Committee in October 2021 for its approval
- The impact of Covid-19 for ongoing ways of working, internal controls, risks and governance are being continually monitored and managed and assurance will be provided to the Committee through regular reporting

- That the Committee 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.

1. Proposal (or options)

1.1 The recommendation is set out in the Executive Summary above.

2. Evidence

2.1 The evidence is detailed in sections 3 to 7 below.

3. Introduction

Accounts and Audit Regulations (England) 2015 (as amended in 2020)

3.1 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.
- 'must, each financial year (a) conduct a review of the effectiveness of the system of internal control' and '(b) prepare an annual governance statement.'
- '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'.

Planning considerations

3.2 In compiling our Internal Audit Plan, we considered the requirement to produce an annual internal audit opinion and report, that could be used by the Council to inform its Annual Governance Statement (AGS), and the need to conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control, and ensured sufficient days and a variety of audit areas were included. Our audit plan was regularly reviewed during the year to ensure that the audits we were able to perform addressed the higher risk areas and added value.

Opinion requirements

3.3 Our Annual Report concludes on our overall opinion of the adequacy and effectiveness of the Council's framework of risk management, governance and control, following the completion and outcomes of our audit opinion work.

Other work and our performance

3.4 Our Annual Report also covers the outcomes of our grant certification work, audit work for external clients and the performance of NAS.

4. Our opinions

Internal Control

- 4.1 Our opinion on the adequacy and effectiveness of the Council's framework of control is 'Acceptable'.
- 4.2 The Internal Audit Plan approved in January 2020 contained 31 audits. Of these 12 were deferred and three were cancelled, resulting in 19 audits. In addition to four management letters that were issued; despite the impact of the Covid-19 pandemic, Government Guidance and restrictions, 15 audits were proportionate, relevant and therefore enough to inform our annual opinion for the purposes of the standards.
- 4.3 The 19 audits were classified as follows: -

Opinion	Number
Acceptable – green rated	6
Key issues to be addressed – amber rated	6
Key issues to be addressed – red rated	2
No opinion applicable	4
To be determined	1

N.B. No opinion applicable relates to where we have issued management letters.

- 4.4 During 2020/21, it was not possible to complete any chargeable school full audits due to covid-19 and in-person visits at schools not being permitted. We developed our audit programme into one which could be completed remotely during 2020/21 and chargeable full audits resumed remotely in April 2021.
- 4.5 There were two red rated audit opinions issued in 2020-21. Summary details in relation to these audits were reported during our quarterly reporting throughout the year: -
- Data Centres
 - Discharge to Assess NHSE Covid Recharges

Governance

- 4.6 Our opinion on the adequacy and effectiveness of the Council's framework of governance is 'Acceptable'. This is based on the opinion audits where governance was the primary audit scope as well as where governance arrangements were a part of the overall audit scope and also self-assessment work, in relation to the Annual Governance Statement. Examples of such audits are:- Castle Keep Project Build, Treasury Management, Financial Management Code.
- 4.7 It should be noted that the Council publishes its Annual Governance Statement (AGS), which concludes on the fitness for purpose of the Council's governance framework and the review of the effectiveness of the system of internal control, for signature by the Leader of the Council and the Head of Paid Service. That review is informed by the audit opinion work we undertake in the year.

Background to governance

- 4.8 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).
- 4.9 The Council's AGS 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.
- 4.10 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.
- 4.11 As part of conducting a review of the effectiveness of the system of internal control (3.1), this Committee has reviewed 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.

Risk management

- 4.12 Our opinion on the adequacy and effectiveness of the Council's framework of risk management is 'Acceptable'.
- 4.13 Our opinion is based on a high-level review of the Council's risk management framework, undertaken during the completion of the Audit Plan for 2020/21, in determining whether to rely on the Council's risk assessments for audit planning purposes, to develop a risk-based plan, as well as the Risk Management Officer's own conclusion, as detailed in the Annual Report for Risk Management 2020/21. This states that 'the Council's system of Risk Management during 2020/21 was sound, adequate, and effective in accordance with the requirements of the Accounts and Audit (England) Regulations 2015 (as amended in 2020).'
- 4.14 In early 2021-22, Zurich Municipal undertook an external performance review of the Council's risk management system to measure the maturity of risk management which provides the Audit Committee with an independent external opinion on the risk management system and the Council's risk maturity.

Background to risk management

- 4.15 It should be noted that the CIA has management responsibility for the corporate risk management system and that safeguards are in place to limit any impairments to independence and objectivity in drawing a conclusion on the adequacy and effectiveness of the risk framework.
- 4.16 These safeguards are detailed below: -

- The Council has a qualified Risk Management Officer.
- The function undertakes nationally recognised benchmarking and reports this to the Committee.
- The Executive Director of Finance and Commercial Services has overall responsibility and reports to the Committee quarterly and annually.
- The External Auditors review the AGS which includes the effectiveness of risk management.
- External reviews of the Risk Management Framework are undertaken (4.14).

Grants

4.17 We have certified a total of 38 grants during 2020/21 as detailed in the table below:

Grant Name	Total Certified
LGA	
Fire and Rescue Authorities Capital Funding Grant	1
Disabled Facilities Capital Grant	1
CES (Local Transport Capital Block Funding)	1
CES (National productivity investment fund specific fund (A140 Hempnall roundabout)	1
LA Bus Subsidy Ring Fenced Revenue Grant	1
Transforming Care	1
Transforming Cities	1
Blue Badge	1
Covid 19 Bus Support*	1
Dedicated Home to School and College Transport	1
Income Compensation Scheme for loss of fees and charges*	1
EU	
BID-REX	1
SAIL	1
Green Pilgrimage	1
ENDURE	2
CATCH	2
PROWAD	2

MONUMENT	1
MOBI-MIX	1
FACET	1
Internal for UK Government grants	
Police and Crime Panel (PCP)	2
Payment By results (Family Focus)	4
Local Full Fibre Network	5
External Clients	
Norse	2
16-19 EFSA funding	1
Sheringham Primary Teaching School	1
Total	38

*The emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Council applied a greater degree of assessment and judgement to determine the appropriate accounting treatment. The grants were reported in the financial reporting to the Cabinet and where they were required verification certificates were completed following reasonable checks to ensure that the conditions had been met.

Norfolk Pension Fund

4.18 In total there were four opinion audits in the 2020-21 Audit Plan for the Norfolk Pension Fund. The four opinion audits were classified as follows: -

Opinion	Number
Acceptable – green rated	3
Key issues to be addressed – amber rated	0
Key issues to be addressed – red rated	0
No opinion applicable	1

4.19 The 'no opinion applicable' relates to the Investment Management – Performance Monitoring. A management letter was produced for that audit work.

Other chargeable work

4.20 We completed audit work for the EIFCA (Eastern Inshore Fisheries and Conservation Authority) in 2020-21.

FCE

4.21 The Audit Authority has adjusted its audit approach so as to undertake all of its work remotely. The AA has overcome the various challenges posed by

each specific national context and once more completed all the required work in relation to the accounting year ending 30 June 2020 and issued an Unqualified Annual Audit Opinion within the regulatory deadline (15 February 2021). The report has, once again, been accepted by the Commission with no immediate issue raised. The Audit Annual Control Report will be further discussed at the Annual Bi-Lateral Co-ordination meeting in September 2021.

- 4.22 The delivery of audit work for the next accounting year has started in February 2021 and the delivery continues to be fully remote. The planning of system audits is informed by the requirements of the EU regulations concerning what the annual audit opinion is to cover but also by a risk assessment, which considers assurances already available and changes in the external and internal environment or activities undertaken by the Managing Authority and Certifying Authority during the accounting year. The volume of audits of beneficiaries is largely influenced by the volume of claims submitted in the year. As the programme is moving forward into implementation, a greater proportion of the audit time is now spent on audit of expenditure incurred by beneficiaries.

5. Our Quality Assurance and Improvement Programme

External Assessments

- 5.1 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 February 2019 the [Local Authority Guidance Note \(LAGN\)](#) for the Standards, which remain current.
- 5.2 At our last external quality assessment (EQA) in 2017/18, found that our internal audit activity 'conforms to the International Standards for the Professional Practice of Internal Auditing'. Our next EQA is due in 2022/23.
- 5.3 There is one action still to complete from the eleven recommendations resulting from the EQA in 2017/18. The action is to include Members of the Audit Committee and Officers of the Council in internal peer reviews of NAS. A peer review is planned for later in 2021-22.

Internal Assessments

- 5.4 The NAS Management Team are responsible for ensuring that internal audit activity continues to conform with International Standards.
- 5.5 All audit work performed by auditors is supervised by a Senior Auditor and a Principal Client Manager.
- 5.6 All audit work is subject to a review during the audit and prior to the issue of the draft report. Coaching notes are raised by the Reviewer and addressed by the Auditor and feedback regarding what the Auditor did well and what they could improve, and any training needs is provided at the end of every audit.

- 5.7 All draft audit reports are reviewed by the Principal Client Managers prior to issue.
- 5.8 The CIA reviews all draft reports where the audit opinion is 'Key Issues to be addressed – 'red rated' and 'key Issues to be addressed - amber rated' audit opinion draft reports where the topic is corporately or departmentally significant prior to issue or where the topic is an 'audit of note'.
- 5.9 The scope of audits (except for schools and grants) are discussed by the CIA and the Principal Client Managers.
- 5.10 The Principal Clients Managers review a sample of audit work in each half of the year and report back on any improvements that need to be made by the Team.
- 5.11 During 2020/21 Principal Client Managers have been 'hands on' in the day to day delivery of audits and the appropriate recording of these on our electronic auditing system, which has meant we have not had to undertake specific 'post reporting' quality file checks of our work.

Conclusion

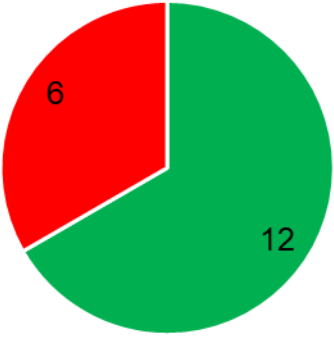
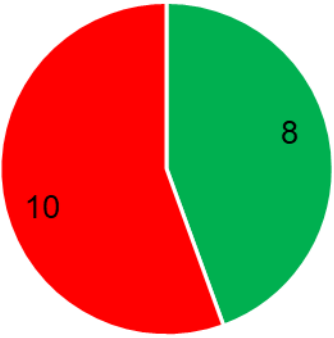
- 5.12 Our self-assessment continues to support our EQA opinion that our internal audit activity still 'conforms to the International Standards for the Professional Practice of Internal Auditing'. During 2020/21 we part completed a self-assessment using CIPFA's checklist for our self-assessment as provided in their February 2019 LAGN. This will be completed during 2021/22 in readiness for our next external quality assessment.

6. Our performance

Opinion audits

- 6.1 Our targets and progress with achieving these is detailed in the table below.

Target	Achieved / Not Achieved
All opinion draft reports issued within 10 days of Feedback Meeting (This is based on 18 draft reports; the nine management letters are not counted as these tend to be issued as final versions only)	Not achieved – we issued more draft reports within 10 days this audit year (12) compared to the last audit year, 2019/20 (8).

<p><u>Draft Reports Issued Within 10 days</u></p>  <p>■ Within 10 days ■ Not Within 10 days</p>	
<p>To deliver 100% of opinion audits within +/-5% of the agreed cash budget (Based on 18 finalised opinion audits)</p>	<p>Not achieved – we completed less audits within budget this audit year (8) compared to the last audit year, 2019/20 (12).</p>
<p><u>Audits Completed Within Budget</u></p>  <p>■ Within Budget ■ Not Within Budget</p>	
<p>To complete 100% of audits in progress from 2019/20 during the first half of the year.</p>	<p>Achieved</p>
<p>Client Satisfaction Emails (positive, negative, neither positive nor negative)</p>	<p>We sent out 10 Client Feedback Emails and all were returned with positive feedback.</p>

6.2 Although we are getting better at issuing draft reports within the 10-day target, we have not improved on last year with regards to completing audits within budget, although four audits were very close to achieving the target of 'within +/-5% of the agreed cash budget'. The audits that were not close to this target were more complex audits, where potentially the budget could have been reviewed and adjusted during the audit.

6.3 Budgets are estimated as part of developing the year's Audit Plan. Senior Auditors and Managers are responsible for managing their audit budget and allocating this to each audit phase and those involved in the audit and they can request that the budget is adjusted during the audit. Budget review

meetings were introduced during 2020/21 and take place at the end of each audit phase with Principal Client Managers

- 6.4 This year's performance has been shared with the Senior Auditors and Managers and the process reiterated with them, along with the importance of reviewing their budgets and a better performance outturn is expected for 2021/22 audit year.

Norfolk Pension Fund

- 6.5 Out of the four audits, all were completed within +/- 5% of the cash budget, with the provision of the internal audit service coming in within the total budget for Norfolk Pension Fund.
- 6.6 Out of the four audits, three draft reports were issued within ten days of the feedback meeting.
- 6.7 All the audits have been completed for 2020/21.

Grant certifications

- 6.8 Charges are made for EU grant certifications, UK Government grant certifications for internal clients and grants certifications for external clients. All of our grant certifications were delivered on time.

Other work

- 6.9 All our actual time spent on delivering audit work for EIFCA is charged to the client.

7. Financial Implications

- 7.1 The expenditure falls within the parameters of the Annual Budget agreed by the Council.
- 7.2 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 chargeable services and pursue new opportunities when they arise.

8. Issues, risks, staffing and innovation

Issues

- 8.1 There are no issues to report.

Risk implications

- 8.2 If we are unable to provide an annual opinion, then the Council may be unable to conclude on the adequacy and effectiveness of its framework for risk management, governance and control.

Staffing

- 8.3 During 2020/21 we have had four staff members undertaking either the level 4 or level 7 apprenticeship within the Team. One Trainee Auditor has successfully completed the level 4 Internal Audit Practitioner apprenticeship and has become an Auditor, and other Trainee Auditor is progressing with this level 4 apprenticeship. The other two are our Trainee Internal Audit Managers who are progressing with their level 7 apprenticeships.
- 8.4 During the year we have had significant long-term sickness that has impacted on the planned work.
- 8.5 The staff survey has again reported positive results in the team.

Innovation

- 8.6 The Internal Audit Planning seeks to apply innovative practices, methodology, partnering and resourcing where possible, ensuring that relevant standards are maintained and that value for money is demonstrated.
- 8.7 Examples of such innovation include how we resource the audit plan through the in-house team to ensure the skills of the team are utilised effectively. We are active within the Home Counties Chief Internal Group as we co-Chair this group and we use this group to share best practices, knowledge and learning to enhance our audit delivery.
- 8.8 During 2020/21, there was no requirement to commission external providers to undertake any specialist assurance work for us, but the model is in place for future use.
- 8.9 During the Winter of 2020/21, we planned for the implementation of an upgrade of our audit software as version we were using had been superseded and was no longer going to be supported by the provider, Wolters Kluwer. We successfully migrated to TeamMate+ in March 2021 and have adopted the main functionalities for economies and efficiencies. All of the team have been trained on the new software and all 2021/22 audits are on the new software. The new version is also cheaper in terms of maintenance and support costs.

9. The Council's Financial Statements and Fraud (ISA 240)

- 9.1 During the year NAS has reviewed the internal controls of some of the Council's main financial systems, expenses (payments to clients), Treasury Management, compliance with the CIPFA Financial Management Code. That work, and the assurance it provides, helps the Audit Committee to reasonably assess the risk that the Council's Financial Statements are not materially misstated due to fraud.
- 9.2 Internal Audit has planned and delivered audits during the year, which include reasonable measures to detect fraud and to give assurance on internal controls that would prevent it. Reports on the audit findings clearly

set out those findings which increase the risk of fraud and whose responsibility it is to ensure that recommendations are completed.

- 9.3 The Council has an Anti-Fraud and Corruption Strategy, which covers the scope of this Committee. The Strategy has been applied, where appropriate, throughout the year and any significant fraud investigations have been reported where they have been completed. Therefore, the Audit Committee will be aware of the process for identifying and responding to the risks of fraud generally and of the specific risks of mis-statement in the Financial Statements when they are asked to approve the Annual Financial Statements at the end of the year.
- 9.4 Actual fraud cases that have been fully investigated are reported in summary to the Audit Committee. The Chairman would be informed of any significant fraud which had implications for this Committee. Therefore, the Audit Committee is aware of the arrangements in place for Executive Directors to report fraud to the Committee. The Audit Committee has knowledge of actual or suspected fraud and the actions that Chief Officers are taking to address it when required.
- 9.5 The Anti-Fraud and Corruption Strategy, Whistle blowing Strategy, Money Laundering Policy and the Standards of Conduct are promoted through staff newsletters and on the Council's Intranet site as well as through training for non-financial managers. The Audit Committee is aware, through the reports it receives, of the arrangements Executive Directors have in place for communicating with employees, members, partners and stakeholders regarding ethical governance and standards of conduct and behaviour. The Council's Audit Committee has responsibility for reviewing the Anti-Fraud and Corruption arrangements. The Audit Committee approved a revised Anti Fraud, Bribery and Corruption Policy and Strategy in April 2021 following the launch of the national strategy 'Fighting Fraud and Corruption locally'.
- 9.6 This Committee also receives this Annual Internal Audit Report, Risk Management reports and other reports giving assurance on the adequacy and effectiveness of risk management and internal control, anti-fraud and corruption measures and of the Council's governance and value for money arrangements. These assurances support the AGS that this Committee considers and approves. Therefore, the Audit Committee oversees management arrangements for identifying and responding to the risks of fraud and the establishment of internal control.

10. Background papers

- 10.1 The background papers relevant to this report is the Master Work Plan and Performance Management information.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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

Officer Name: Adrian Thompson – Assistant Director of Finance (Audit)

Tel No: 01603 303395

Email address: adrian.thompson@norfolk.gov.uk



If you need this Agenda 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.

Decision making report title:	Risk Management Annual Report 2020/21
Date of meeting:	29th July 2021
Responsible Cabinet Member:	N/A
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services
Is this a key decision?	No

Executive Summary

Norfolk County Council ensures that risks to the delivery of its objectives are appropriately managed in accordance with the Council’s Risk Management Framework to fulfil the Financial Regulations, as set out in the Council’s [Constitution](#) (Appendix 15). The policy and framework of procedures comply with the Accounts and Audit (England) Regulations 2015 (as amended in 2020) (Part 2, Internal Control 3(c)) and the Public Sector Internal Audit Standards.

The emergence of COVID-19 in early 2020 saw a monumental shift in the ways of working across the Council. From a risk management perspective, the Council has faced numerous new risks, leading to risk management playing a more prominent and direct role in the Council’s operations.

Risk management has continued to be embedded throughout the Council, with risk coverage at several key Member and officer led meetings throughout the year, as well as a risk section within all standard NCC reports. Risk has taken on a greater role in discussions during 2020-21 due to the increased number of risk factors associated with the pandemic.

This report sets out the key messages for risk management from the last financial year and also looks at the year ahead for the Risk Management Function.

Recommendations

To consider and agree these key messages from the Annual Risk Management 2020/21 Report (Appendix A):

- **The overall opinion on the effectiveness of Risk Management for 2020/21 is ‘Acceptable’ and therefore considered ‘Sound’ (part 3 of the report)**
- **The Risk Management Function complies with the Accounts and Audit (England) Regulations 2015 (as amended in 2020) and recognised Public Sector Internal Audit standards.**

- Risk management has played a prominent role in the Council's response to the pandemic over the last financial year, in considering risk-based decisions at every level of the Council.
- The Annual Governance Statement for 2020/21 will refer to this report and is also reported to this Committee for its approval.

1. Background and Purpose

- 1.1. The report at **Appendix A** provides Members of the Audit Committee with further information on risk management for the financial year 2020-21, incorporating the main changes that have occurred within the year. This report is separate to the quarterly risk management report detailing risk management for the first quarter of 2021/22.

2. Proposals

- 2.1. The recommendations are covered in the Executive Summary above.

3. Impact of the Proposal

- 3.1. The impact of the points noted in the recommendations above is detailed in **Appendix A**.

4. Evidence and Reasons for Decision

- 4.1. Whilst there is no decision to make, evidence to support the Risk Management Function's work over the last annual year is presented at **Appendix A**.

The key messages are reported in the Executive Summary above.

5. Alternative Options

- 5.1. As no decision is being made, no alternative proposals are put forward.

6. Financial Implications

- 6.1. In 2020/21, the Risk Management Function was delivered within the budget allocated for the year. There are no financial implications for the Risk Management Function for 2021/22.

7. Resource Implications

7.1. **Staff:** Since 17 March 2020, all NCC colleagues have been working from home wherever possible to do so within their role. Technology improvements were rolled out swiftly to enable this. Some colleagues continued to work in the community where their role required it. Where essential services have required colleagues to work onsite, or if they do not have a suitable homeworking environment or for wellbeing reasons, measures were put in place to enable this.

7.2. **Property:** Over the financial year 2020-21, non-essential buildings have been either closed completely, or limited to staff with an essential need to work there and activities have been re-prioritised to reflect the new reality. Risks have been identified for unoccupied buildings, which have considered their security and maintenance.

7.3. **IT:** A rapid roll-out of “soft telephony” (MS Teams), Teams voice conferencing facilities and other remote working technology (such as Zoom) was undertaken and has enabled over 5,000 employees to access NCC systems remotely and continue to support the organisation and the public. Additionally, grants of up to £250 were available to staff to purchase office-related items to further enable home working.

8. Other Implications

8.1. Legal Implications

There are no legal implications to report.

8.2. Human Rights implications

There are no human rights implications to report.

8.3. Equality Impact Assessment (EqIA) (this must be included)

There is no equality impact assessment required for this report.

8.4. Health and Safety implications (where appropriate)

In recommencing face to face activities, as national and local restrictions were reduced/removed, several risk tests or criteria had to be met including infection,

prevention and control. Model COVID-19 risk assessments and guidance was provided for departments and support provided by the Health, Safety and Well-being Service to ensure services are delivered safely.

8.5. Sustainability implications

As per paragraph 8.4 directly above, the Health, Safety and Wellbeing service has ensured that services have been adequately supported in ensuring that they are re-opening in a sustainable way, carrying out risk assessments and factoring in the latest government guidelines in their work.

8.6. Any other implications

There are no other implications to report.

9. Risk Implications/Assessment

9.1. The risk implications and assessment for the financial year 2020-21 can be viewed in Appendix A.

10. Select Committee comments

10.1. There are no Select Committee comments to report.

11. Recommendations

11.1 **To consider and agree these key messages from the Annual Risk Management 2020/21 Report (Appendix A):**

- **The overall opinion on the effectiveness of Risk Management for 2020/21 is 'Acceptable' and therefore considered 'Sound' (part 3 of the report)**
- **The Risk Management Function complies with the Accounts and Audit (England) Regulations 2015 (as amended in 2020) and recognised Public Sector Internal Audit standards.**
- **Risk management has played a prominent role in the Council's response to the pandemic over the last financial year, in considering risk-based decisions at every level of the Council.**
- **The Annual Governance Statement for 2020/21 will refer to this report and is also reported to this Committee for its approval.**

12. Background Papers

- 12.1. There are no background papers to note as part of this report, however risk management is also reported within the Council's Annual Governance Statement for 2020/21.

Officer Contact

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

Officer Name: Adrian Thompson – Assistant Director of Finance (Audit)

Telephone Number: 01603 303395

Email address: adrian.thompson@norfolk.gov.uk

Officer Name: Thomas Osborne – Risk Management Officer

Telephone Number: 01603 222780

Email address: thomas.osborne@norfolk.gov.uk



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.

Appendix A

**Annual Risk Management Report
2020 – 2021
Assistant Director of Finance (Audit) &
Risk Management Officer
Norfolk Audit Services**

Contents

- 1 Introduction
 - 2 The Council's Priorities
 - 3 Key Messages and Risk Management Opinion
 - 4 Areas of Good Practice
 5. Our Outputs – Risk Management Work
 6. Developments of the Risk Management Function in 2020/21
 7. Developments of the Risk Management Function for 2021/22
 8. Further Information (including Covid-19 risk considerations)
 9. Acknowledgements
- Appx. 1

1. Introduction

1.1 In line with Internal Audit standards, the mission of the corporate Risk Management Function is to, 'enhance and protect organisational value by providing objective risk management assurance, advice and insight'. The function has worked to:

- Understand the organisation
- Know its position and role in the assurance regime
- Be a catalyst for improvement of risk management
- Add value to the organisational objectives
- Be forward looking

1.2 This annual Risk Management report helps the Audit Committee to assess the performance of Risk Management and informs the Cabinet, Executive Directors, clients and staff of how we add value through the Risk Management Function. This report also supports the Council's Annual Governance Statement 2020/21 with an assurance on the Council's arrangements for the management of risk. The report brings together and adds to, the quarterly Risk Management reports to the Audit Committee and includes:

- An acceptable opinion - (see part 3)
- Key Messages (see part 3)
- Our outputs - the work we carried out, performance and the difference we made in 2020-21 (see part 4)
- Developments in the Service in 2020/21 (see part 5) and planned development areas for 2021/22 (see part 6)
- Other relevant information, including Covid-19 Risk Management considerations (see part 7).

2 The Council's Ambitions

2.1 During 2020-21, the Council has continued work to deliver on its vision 'Together, for Norfolk', recognising that elements of the vision have been accelerated through the Council's response to the pandemic.

The Council's approach is guided by four key principles:

- Offering our help early to prevent and reduce demand for specialist services
- Joining up our work so that similar activities and services are easily accessible, done well and done once
- Being business-like and making best use of digital technology to ensure value for money
- Using evidence and data to target our work where it can make the most difference

These principles frame the transformation that we must lead across all our services and activities.

2.2 The Risk Management Function's work has understood (1.1) and contributed to the Council's ambitions and requirements during 2020/21, through managing the corporate risks to achieving the Council's vision and objectives, both on the generic corporate risk register and on the Covid-19 specific risk registers (both operational and strategic). The Risk Management Function has ensured that the ambitions above are supported. Threats to realising the areas of work that contribute to achieving these ambitions and objectives have been documented in the generic corporate risk register and Covid-19 risk registers. The generic corporate risk register has been maintained throughout the pandemic and reported quarterly to Cabinet and the Audit Committee. Mitigations to manage these risks and reporting of progress with these are owned by the risk owners and managed by the risk reviewers, and independently scrutinised by the Risk Management Officer. This fulfils the Risk Management role in the assurance regime (1.1).

3 Key Messages and Risk Management Opinion

3.1 The key messages from the Risk Management work in 2020/21 are:

- The Council's system of Risk Management during 2020/21 was sound, adequate, and effective in accordance with the requirements of the Accounts and Audit (England) Regulations 2015, (as amended in 2020). These requirements state that "a relevant authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk". This has been essential for ensuring that the threats and opportunities that the Council has faced in the last year have been adequately managed.
- The Risk Management Function has been a catalyst for improvement of risk management, added value, forward looking (1.1) and has operated within the approved budget for 2020/21.
- '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 has been determined from the recent results of the Council's risk management health check undertaken independently by the Council's insurers.

4 Areas of Best Practice

Risk Reporting Best Practice

The Alarm risk reporting guide published in December 2019 includes details on the latest best practice for risk reporting. This best practice has been summarised in the table in **Appendix 1** at the foot of this report and compared to the reporting arrangement for the County Council in 2020/21.

5 Our Outputs – Risk Management Work

- 5.1 The Risk Management Function has continued to deliver quarterly risk management reports remotely throughout 2020/21, covering corporate risks, which have been reported and presented via virtual meetings to both Cabinet and the Audit Committee.
- 5.2 Immediate operational risks arising from the pandemic were identified early on by the Council's Silver Group of which the Risk Management Officer was a member, helping to ensure that risks were effectively prioritised taking into account risk proximity, likelihood and impact. Strategic risks were also identified by the same group.

- 5.3 A summary of departmental risks was also presented in a risk management report to Cabinet in April 2020, providing a snapshot of what risks were being managed at departmental level, supporting the corporate risks. Whilst the April 2020 Cabinet and Audit Committee meetings were cancelled owing to resources being focussed on the initial response to the pandemic, the risk report containing both corporate and departmental risks was still provided to Members for their awareness.
- 5.4 Risk management reporting has been developed, not only in standard corporate risk management reports, but also via briefings on the Council's Covid-19 specific corporate risks to Group Leaders between March and December 2020. This has assisted Group Leaders in understanding what actions were being taken throughout the year to treat those risks.
- 5.5 The Risk Management Policy has continued to act as a valuable tool over the year in the embedding and implementation of risk management within the Council. The accompanying risk management procedures have also been added to and revised as necessary following feedback sought on them, as well as organisational change. These have been available for all staff to view and refer to on the Risk Management intranet page, and have allowed for autonomous guidance for colleagues throughout the pandemic.
- 5.6 Over the last financial year 2020/21, the Risk Management Officer has remained a Member of Alarm (Association of Local Authority Risk Managers), and the IRM (Institute of Risk Management). Training and continued professional development was fulfilled.

6 Developments of the Risk Management Function in 2020/21

- 6.1 The Risk Management Officer has played a prominent role in the Council's Silver Group between the end of March and the end of June 2020 acting as an advisor to senior management on how to record and treat the risks that have been identified during the initial stage of the pandemic. The Risk Management Officer has continued to advise risk coordinators and risk owners / reviewers on the Risk Management Policy and procedures.
- 6.2 The Risk Management Function has strengthened its' working relationship with risk coordinators and senior management teams across the Council throughout the pandemic.

7 Developments of the Risk Management Function for 2021/22

- 7.1 During the first quarter of 2021/22, a routinely commissioned independent risk management health check was carried out. The report was positive with six areas examined. Four of the areas were awarded a score of 4 out of 5, with the remaining two areas scored at 3 out of 5. From this report, a series of recommendations were made and these will be worked through and implemented over the remainder of the financial year 2021/22. Further details of the health check scores can be viewed in Appendix E of the July 2021 risk management report to this committee.

8 Further information

- 8.1 This Risk Management annual report will be referenced in the Council's Annual Governance Statement for 2020/21, which will be reported to this Committee alongside this report.

9 Acknowledgements

- 9.1 We would like to thank Members of the Audit Committee and Cabinet, Corporate Board, managers, and officers for their engagement and co-operation during a particularly challenging year.

Adrian Thompson
Chief Internal Auditor
01603 303395
Email: adrian.thompson@norfolk.gov.uk

Thomas Osborne
Risk Management Officer
01603 222780
Email: thomas.osborne@norfolk.gov.uk



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

Appendix 1

Area of Good practice	Detail of good practice	How are we performing	Possible improvements
Risk reporting format	<ol style="list-style-type: none"> 1. Stylised infographics and visual representations should be considered for use and include colour coding and description of risks. The use of a traffic light system so that critical, red risks are easily identifiable. 2. Reporting for each risk should include mitigation activity, a chart detailing the inherent residual and target risk score, chart on impact, uncertainty and an idea of trend. 3. Risk reporting should be balanced across departments and contextualised to help decision making. 4. Risks should be grouped together to show common themes 5. Risk registers should be concise. Focussing on the top risks across the organisation (eight to ten risks is beneficial). A board or committee should not be distracted by departmental risks. Organisations should consider the principle risks and develop a framework. 	<ol style="list-style-type: none"> 1. Met - Standardised risk registers use traffic light ratings to easily identify the severity of risks. At corporate level and for Audit Committee we also have a heat map showing the scoring and severity of risks. 2. Met - Each risk on the register includes mitigation activity, current status of activity and residual risk score. All risks on the register have a target risk score, impact score and likelihood score. There is a consistent risk scoring criteria set out in both the risk scoring procedure and risk registers. The heat map included in the risk report to Audit Committee gives a direction of travel as to whether the risk is increasing or decreasing. There is also a 'key messages' section in the risk reporting detailing all corporate risk score changes. 3. Met - Risk registers are in place at both departmental and corporate level. Some departmental risks are considered to be corporately significant and are therefore included on the Corporate Risk Register. The Risk Management Officer facilitates the monitoring of all registers with agreement from Corporate Board for risk to be added to the corporate register. Risks are currently not grouped by theme. They are added to the register as they occur and kept in chronological order. 4. Met - The Corporate Risk Register currently contains 19 risks. The number of corporate risks could be acceptable due to the scope of services the County Council is responsible for. 	<ol style="list-style-type: none"> 1. Heat map to be applied to other reporting (not just Audit Committee) 2. Risk could be broken down into common themes (financial risks) reputational Risks). 3. The number of corporate risks to be assessed to confirm if they are manageable at this level.

Area of Good practice	Detail of good practice	How are we performing	Possible improvements
Frequency of risk reporting	<ol style="list-style-type: none"> 1. Timeliness of risk reporting is critical. A quarterly report that provides concise timely and good quality information should also be accompanied by real time risk reporting so executive decision makers can respond quickly to emerging risks. 2. A process should be in place to ensure real time risk reporting is captured appropriately and reported at the next 'standard' reporting point. 	<ol style="list-style-type: none"> 1. Met - The Risk Management Officer facilitates the reporting of risks at both a corporate and departmental level. Corporate Risk reports are taken to Cabinet on a quarterly basis. Departmental registers are viewed at a minimum quarterly by Executive Directors. Departments take a proactive approach to risk reporting and are responsible for identifying their own risks and adding them to their risk registers in real time. A risk will be added to the corporate risk register as soon as it is identified as needing to be added, for consideration by Corporate Board, who in turn will recommend to Cabinet if agreed that it sits at corporate level. 2. Met - Risks are added to registers when they are identified and are then reported on as part of the quarterly reporting. 	
Communicating risk effectively	<ol style="list-style-type: none"> 1. Well established communications of risk at operational, management and executive levels. A tiered approach to risk reporting should be considered. 2. Risk escalation policy and categories of risk should be developed so that relevant risk is taken to the correct board. Data should be manipulated for different audiences. 3. Relevant material is shared before any risk reporting so that executive members can understand the nature of the risk, how it is being managed as well as the current appetite and tolerance. (this 	<ol style="list-style-type: none"> 1. Met - A tiered approach to risk reporting is in place. Risk registers are in place at both departmental and corporate level. Some departmental risks are considered to be corporately significant and are therefore included on the Corporate Risk Register which the Corporate Board reviews with advice to Cabinet. The Risk Management Officer coordinates the Corporate Risk Register making sure the right people are made aware and updates are added timely. 2. Met - There is a consistent risk scoring criteria set out in both the risk scoring procedure and risk registers. A risk escalation procedure is in place. The Risk Management Officer sense checks registers to identify any anomalies and to ensure risks are being appropriately updated. 	<ol style="list-style-type: none"> 1. A deep dive for all red rated risks could be completed on a periodic basis. NB: Red risks are now summarised at Cabinet when reported.

Area of Good practice	Detail of good practice	How are we performing	Possible improvements
	<p>point is in relation to a deep dive in the guide)</p> <p>4. A deep dive is a good approach to understand each risk more fully. This approach is useful for risks with a significant impact (Red Rated). A deep dive allows for analysis of the potential impact and how quickly the risk is changing. It allows for deliberation and to seek other opinions on how management is handling a specific risk.</p>	<p>Additional visual representations are provided for Audit committee including a heat map of risks.</p> <p>3. Met - Executive directors are encouraged to share both corporate and departmental risks with relevant portfolio holders (cabinet members). Risk reports are included as part of the agenda for Corporate Board, Cabinet, and Audit committee.</p> <p>4. A deep dive approach is not being formally implemented for specific risks at present.</p>	
The role of the Committee	<p>1. Committee members should be engaged in the risk reporting and should be able to challenge risk information that is presented to them.</p> <p>2. A framework of deliberation should be developed. For example, a power of three could be used e.g. Enquire, Deliberate and decide.</p>	<p>1. Met – Cabinet portfolio holders report on their corporate risks to Cabinet quarterly. Members are given the opportunity to challenge risks at Audit Committee (cross party representation) and via the Scrutiny Committee. In recommendation put to members as part of risk reports they are regularly asked to consider and agree the report. This is the framework of what they are asked to do. However, the way they are asked questions is not defined in a power of three.</p>	<p>1. Further training session for committee members could be offered. NB: Further training will be offered to Members, which should be of particular benefit to those new to the Audit Committee.</p>

Decision making report title:	Risk Management Quarterly Report
Date of meeting:	29th July 2021
Responsible Cabinet Member:	N/A
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services
Is this a key decision?	No
<p>Executive Summary</p> <p>Risk management continues to play an active role in the Council’s response to the ongoing COVID-19 pandemic.</p> <p>This report references Norfolk County Council’s corporate risk register as it stands in July 2021, following the latest review conducted during June 2021.</p> <p>A summary of significant changes to corporate risks since they were last issued 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. Scrutiny options available for the management of corporate risks are presented at Appendix D, along with background information at Appendix E. Finally, Appendix F sets out the key messages from the recently undertaken risk management health check by the Council’s insurers.</p> <p>Recommendations</p> <p>To consider and agree;</p> <ol style="list-style-type: none"> a. The key messages as per paragraphs 2.1 and 2.2. of this report b. The key changes to the generic corporate risk register (Appendix A); c. The corporate risk heat map (Appendix B); d. The latest generic corporate risks (Appendix C); e. Scrutiny options for managing corporate risks (Appendix D); f. Background Information (Appendix E); g. The key messages from the risk management health check (Appendix F) 	

1. Background and Purpose

- 1.1 One of the Audit Committee's roles is to consider the effectiveness of the Council's risk management. Assurance on the effectiveness of risk management and the corporate risk register as a tool for managing the biggest risks that the Council faces, helps the Committee undertake some of its key responsibilities. Risk management contributes to achieving corporate objectives and is a key part of the performance management framework.
- 1.2 The risk reviewers have reviewed and updated the risks where there have been changes to note since the last report was issued in April 2021, and these have been agreed by the risk owners (for the most part Executive Directors), Corporate Board, and were reported to Cabinet on 5th July 2021. The Cabinet considered summaries of Departmental Risk Registers, Page 210 to 226, as required by the Financial Regulations.

2. Proposals

2.1 The key corporate risk messages are as follows:

- That corporate risk management continues to be sound and effective, working to best practice. This can be demonstrated by the recent independent risk management health check carried out by the Council's insurance providers, with the key messages from this completed health check available at **Appendix F** to this report. Risk management continues to support the Council's recovery from the pandemic.
- The review of corporate risks has taken place with risk owners, and reviewers, and Corporate Board as a group.
- Risk **RM022a - Implications of Brexit for Council staff and services** has been closed.
- The risk score of **RM029 - NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and beyond** has been increased from 15 to 20, (current likelihood score increasing from 3 to 4) and prospects of meeting target score by target date revised from green to amber.
- The ownership of risk **RM027 - Risk of failure of new Human Resources and Finance system implementation (myOracle)** has been transferred from the Programme Director to the Executive Director of Finance and Commercial Services.
- Further details on the changes listed above, as agreed by Cabinet, can be found in **Appendix A**.

- 2.2 The Council is currently developing a corporate risk to reflect the Norwich Western Link project. That risk will be presented, as part of the next risk management report to Cabinet, in September 2021, then to Audit Committee in October 2021.

3. Impact of the Proposal

- 3.1 Risk management plays a key role in managing performance and is a requirement in the Accounts and Audit Regulations 2015 (as amended). Sound risk management helps ensure that objectives are fulfilled, that resources and assets are protected and used effectively and efficiently. The responsibilities for risk management are set out in the Financial Regulations, which are part of the Council's Constitution.

4. Evidence and Reasons for Decision

- 4.1 Not applicable as no decision is being taken.

5. Alternative Options

- 5.1 There are no alternatives identified.

6. Financial Implications

- 6.1 With the COVID-19 pandemic there are major financial implications to consider. Whilst all corporate risks will have varying degrees of financial implication associated with them, the key generic risks with a financial consideration are RM002, RM006, RM023, RM031, and RM032a.

7. Resource Implications

- 7.1 **Staff:** There are staffing resource implications to consider as part of risk **RM029 - NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and longer term.** With the implications of COVID-19 on the economy, there continue to be signs that NCC is attracting more candidates as the public sector is seen as a more secure employer. This will continue to be closely monitored.
- 7.2 **Property:** Risk assessments have been carried out by the Health, Safety, and Wellbeing team at sites where services have restarted following the third national lockdown, ensuring an appropriate reopening with adapted measures, and that the Council follows advice with regards to social distancing. The Health, Safety and Wellbeing team continue to work closely with services that deliver a face to face offering to the public.

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.

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 Health and Safety implications (where appropriate)

There are health and safety risk implications as set out in the corporate risk **RM028 - Risk of any failure to monitor and manage health and safety standards of third party providers of services**. This risk captures the support from the Health and Safety team to departments running services involving third parties, to ensure that health and safety standards of third party providers meet the expectations set of them within the partnership.

8.5 Sustainability implications (where appropriate)

There are no specific sustainability implications to consider within this report over and above the implications of COVID-19 on a sustainable new way of living and working for the foreseeable future. Any sustainability risks identified as part of the Council's [Environmental Policy](#) (page 58) will be recorded and reported appropriately.

8.6 Any other implications

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

9. Risk Implications/Assessment

9.1 The risk implications are set out in the report above, and within the risks themselves at **Appendix C**.

10. Select Committee comments

10.1 There are no recent Select Committee comments to note within this report.

11. Recommendations

11.1 **To consider and agree:**

- a) The key messages as per section 2.1 and 2.2 of this report
- b) The key changes to the generic corporate risk register (**Appendix A**);
- c) The corporate risk heat map (**Appendix B**);
- d) The latest generic corporate risks (**Appendix C**);
- e) Scrutiny options for managing corporate risks (**Appendix D**);
- f) Background Information (**Appendix E**);
- g) The key messages from the risk management health check (**Appendix F**)

12. Background Papers

12.1 There are no further background papers to note, other than those already linked within the body of the report.

Officer Contact

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

Officer name:

Adrian Thompson

Thomas Osborne

Email address:

adrian.thompson@norfolk.gov.uk

thomas.osborne@norfolk.gov.uk

Tel No.:

01603 303395

01603 222780



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.

Key Changes to Corporate Risks

The quarterly review of the corporate risk register has generated the following proposed changes, which were agreed by the Cabinet on 5th July 2021;

Risk Closure

- Risk **RM022a - Implications of Brexit for Council staff and services** has been closed, as the major short-term implications of Brexit for Council staff and services have now been worked through. There remains a residual risk for Adult Social Care staff, which is being treated at a departmental level within the Adult Social Services department.

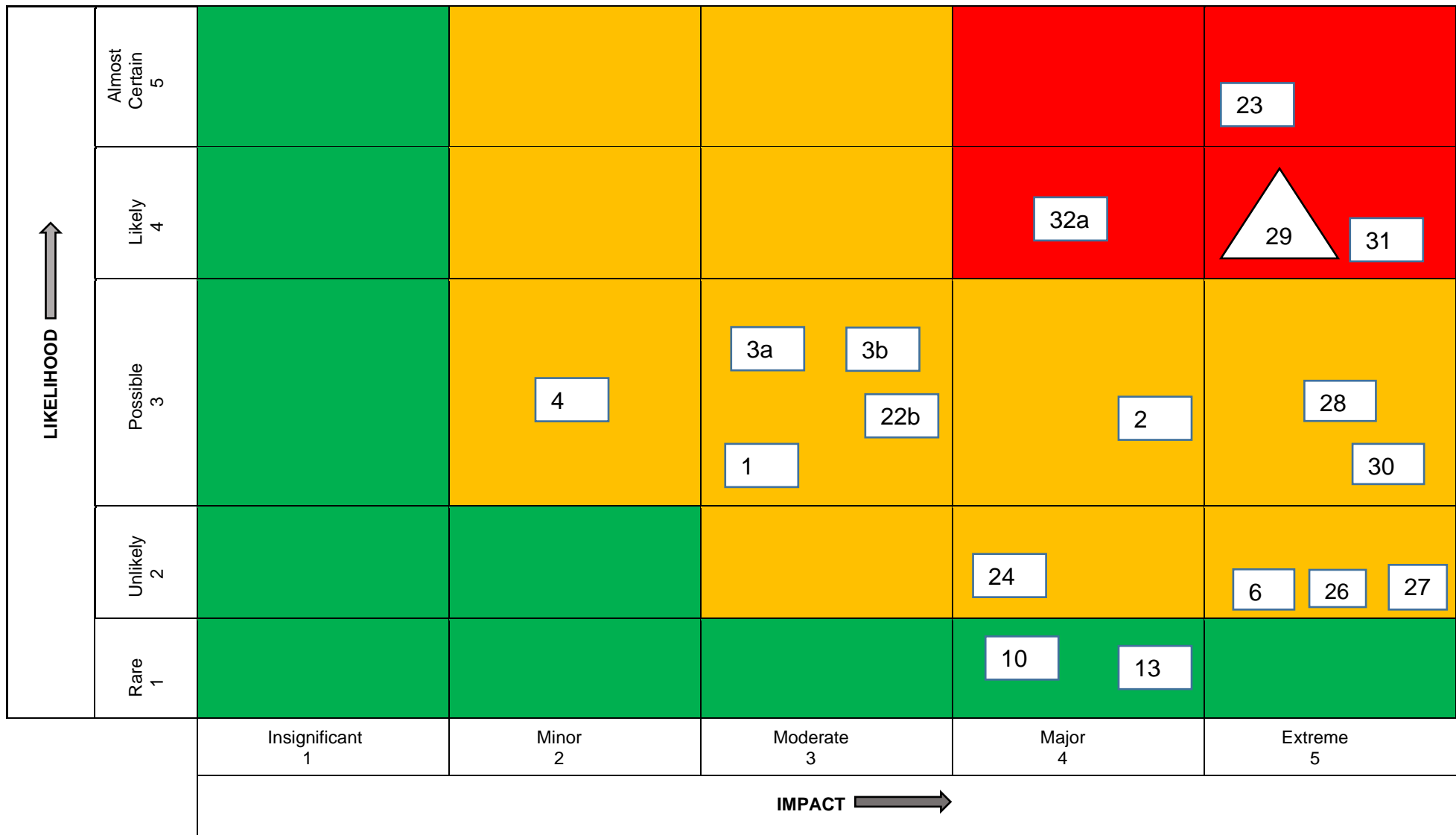
Risk Score Change

- The risk score of **RM029 - NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and beyond** has been increased from 15 to 20, (current likelihood score increasing from 3 to 4) and the prospects of meeting the target score by the target date revised from green to amber in light of challenges for front line workers and early sight of the Council's staff survey reporting workforce pressures.

Risk Ownership Change

- The ownership of risk **RM027 - Risk of failure of new Human Resources and Finance system implementation (myOracle)** has been transferred from the Programme Director to the Executive Director of Finance and Commercial Services, who is the executive sponsor for the programme.

Corporate Risks - Heat Map



Key = Risk score increase = no score change = risk score decrease

No.	Risk description	No.	Risk Description
RM001	Not realising infrastructure funding requirements to achieve the infrastructure ambition of the Business Plan.	RM022b	Implications of Brexit for a) external funding and b) Norfolk businesses
RM002	The potential risk of failure to manage significant reductions in local and national income streams.	RM023	Lack of clarity on sustainable long-term funding approach for adult social services at a time of increasing demographic pressures and growing complexity of need.
RM003a	Potential for failure to comply with statutory information compliance requirements.	RM024	Failure to construct and deliver the Great Yarmouth 3rd River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction to be completed early 2023).
RM003b	Potential for failure to comply with relevant information security requirements	RM026	Legal challenge to procurement exercise.
RM004	The potential risk of failure to deliver effective and robust contract management for commissioned services.	RM027	Risk of failure of new Human Resources and Finance system implementation (myOracle).
RM006	The potential risk of failure to deliver our services within the resources available for the period 2018/19 to the end of 2020/21.	RM028	Risk of failure to monitor and manage health and safety standards of third-party providers of services.
RM010	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.	RM029	NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and longer term.
RM013	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	RM030	Non-realisation of Children's Services Transformation change and expected benefits.
		RM031	NCC Funded Children's Services Overspend
		RM032a	Effect of COVID-19 on NCC business continuity (staff, service users, and service delivery)

Risk Number	RM001		Date of update		25 May 2021					
Risk Name	Not realising infrastructure funding requirements to achieve the infrastructure ambition of the Business Plan									
Portfolio lead	Cllr. Martin Wilby		Risk Owner		Tom McCabe					
Risk Description			Date entered on risk register		03 June 2019					
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-22	Amber
Tasks to mitigate the risk										
<p>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.</p> <p>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.</p> <p>1.3) Engage with providers of national infrastructure – Highways England 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.</p> <p>1.4) Review Planning Obligations Standards annually to ensure the county council is able to seek and secure the maximum possible contribution from developers.</p> <p>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.</p> <p>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.</p>										
Progress update										

Progress update

Overall: Impact of Covid-19 likely to affect funding streams in both the short and longer-term.

- 1.1) NWL: Cabinet agreed 7 June to appoint Design and Build contractor and submit Outline Business Case (OBC) to DfT. City Council withdrew their support for NWL on 20 January 2021. Liaison with city council continues, including through development of TfN strategy. OBC for Long Stratton Bypass submitted to DfT 15 Jan 2021. West Winch Housing Access Road Strategic OBC submitted to DfT at end of March. A47/A17 Pullover Junction King's Lynn: Work has identified three options for improvement. Preferred Option to be identified and taken through DfT Major Road funding stream. Transforming Cities now in delivery phase. Gt Yarmouth Third River Crossing: Works started on 4 January 2021 as planned. Continuing to work with districts on a range of infrastructure projects.
- 1.2) Funding secured from PBR for development of Norwich Western Link and West Winch Housing Access Relief Road (see 1.1). DfT invited authorities to bid for next round of Travel Fund on 14 June; bid to be worked up. Delivery phase continues on previous funding secured. Work continues on scope of levelling-up bids. Community Renewal Fund bids appraised by county council and agreement reached with partners on submissions that meet the fund requirements (closing date 18/6). Meetings are planned over the coming few weeks to agree the approach.
- 1.3) A47 Alliance refreshed advocacy work up to 2021 spending review agreed with partners and being discussed with members. Great Eastern Main Line (Norwich to London rail): Review of the programme underway by Network Rail, focusing on performance and journey time improvements, following minor improvements starting in June. Continuing to support East West Rail Consortium; pre-SOBC work continues on Eastern Section. Response to A47 Blofield to Burlingham DCO submitted to Planning Inspectorate by 6 April deadline. DCOs submitted by Highways England for Easton to Tuddenham and Thickethorn; NCC response being coordinated, closing dates yet to be announced.
- 1.4) Officers have updated the County Council's Planning Obligations Standards (2021) and will continue to update annually to ensure the county council is able to seek and secure the maximum possible contribution from developers. Government review of planning system (consultation – Planning White Paper) published in August 2020. County Council response agreed at October Cabinet and submitted. Officers are working with the County Council Network (CCN) and the Regional Planning Obligations Officer Group to lobby the Ministry of Housing Communities and Local Government (MHCLG) on proposed reforms to the developer contributions.
- 1.5) Continuing to work with Transport East on transport strategy (consultation planned for autumn); liaising with DfT, Network Rail and Highways England on strategic road and rail schemes; attending wider partnership groups including LEP Transport Board.
- 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.

Risk Number	RM002		Date of update		25 May 2021					
Risk Name	The potential risk of failure to manage significant reductions in local and national income streams									
Portfolio lead	Cllr. Andrew Jamieson			Risk Owner	Simon George					
Risk Description			Date entered on risk register		31 May 2019					
This may arise from global or local economic circumstances (i.e. Brexit), government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Strategy savings required for 2021/22 - 2024/25 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-22	Amber
Tasks to mitigate the risk										
<p>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 Corporate Board 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.</p>										
Progress update										
<p>County Council on 21.02.21 approved the 2021-22 budget and future Medium Term Financial Strategy 2021-25 taking into account the Final Local Government Finance settlement for 2021-22. The risk target score for 31 March 2021 has been met. The council's external auditors gave an unqualified audit opinion on the 2019-20 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 31.03.2020. 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. Further reports will be presented to Cabinet during the year incorporating future Government funding announcements and updates on the budget planning process in order that County Council can agree the 2022-23 Budget and level of council tax at its February 2022 meeting.</p>										

Risk Number	RM003a		Date of update	24 May 2021						
Risk Name	Failure to comply with statutory 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.										
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	31/09/2021	Green
Tasks to mitigate the risk										
<ol style="list-style-type: none"> 1. Mandatory Information Governance Training for all 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 efficiency and effectiveness 										
Progress update										
<p>Information Governance action plan 2020 has been delivered to ensure a more robust Information Governance culture.</p> <p>New mandatory training for Information Governance (Data Protection Essentials) launched in January 2021 which has received positive feedback and completion rate has reached over 95%.</p> <p>Information Governance Group has been relaunched with a new escalation Steering Group comprising the SIRO, DPO, Dir IMT, Audit and Caldicott Guardians to deliver a strong focus and accountability on information related matters.</p> <p>Management information in place to allow actions to be taken on activity within the team and resource to be appropriately allocated / requested. Significant improvements in many areas including Freedom of Information Requests and Police disclosures. Subject Access Requests are improving and focus remains on these.</p> <p>Positive relationship with the ICO in relation to data incidents and responses to subject access requests which helps demonstrate a good culture towards information in NCC.</p> <p>Clear focus of activity in 2021/22 to improve efficiency in the team when dealing with requests (online FOI form has already been delivered) which will further improve the resource availability the Information Governance Team can give to support IG queries across NCC.</p> <p>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.</p> <p>Risk score of 9 remains until all activity has had time to embed fully into the business - still on course to meet the September 21 deadline for reduction.</p>										

Risk Number	RM003b		Date of update		08 June 2021					
Risk Name	Failure to comply with relevant information 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 failing to comply with relevant information security requirements (e.g. NIS, FSN, PCI-DSS, Cyber-Essentials Plus, and NHS DSP Toolkit) which could lead to reputational damage and financial 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	3	9	1	3	3	Sep-21	Green
Tasks to mitigate the risk										
<ol style="list-style-type: none"> 1. Mandatory Training in place for all colleagues - ongoing 2. Development and monitoring of MI for breaches - ongoing 3. Implementation of improved security measures - ongoing 4. External networking to ensure best practice - ongoing 5. 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 - ongoing 										
Progress update										
<ul style="list-style-type: none"> - Rollout of new Mandatory training to 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 IT training; - 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. - Security patches being applied and software security kept up to date. 										
<p>Risk score of 9 at present due to improved measures that have been implemented but acknowledgment that further activities would reduce the risk further, with a number of new challenges in a COVID landscape. The impact should anything happen would likely result in local or national media attention, depending on the severity of the issue.</p>										

Risk Number	RM004		Date of update		03 June 2021					
Risk Name	The potential risk of failure to deliver effective and robust contract management for commissioned services.									
Portfolio lead	Cllr. Andrew Jamieson			Risk Owner	Simon George					
Risk Description			Date entered on risk register		02 June 2019					
Ineffective contract management leads to wasted expenditure, poor quality, unanticipated supplier default or contractual or legal disputes. The council spends some £700m 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	2	3	6	Mar-22	Met
Tasks to mitigate the risk										
<p>1) By October 2019 implement a proactive system to identify early signs of potential supplier financial failure and respond appropriately. Next steps: - Develop robust process to respond to CreditSafe alerts</p> <p>2) Continue to report the pipeline of expiring contracts to Corporate Board every six months. Continue to discuss the pipeline of expiring contracts with CES DMT every quarter. Next steps: - Start to discuss the pipeline of expiring contracts with other departmental management teams or individual senior managers</p> <p>3) Through the contract compliance and optimisation workstream of the Smarter Workstream priority under the Norfolk Futures programme, implement measures to ensure that staff who have contract management as part of their job have the relevant skills and support to manage contracts effectively. Next steps: Implement phased plan as agreed at corporate board 3 December 2019</p> <p>4) Develop a standard specification for service transition that can be used as the basis for new sourcing exercises and used to manage transitions effectively by end June 2019</p> <p>5) Internal audit undertaking audits of the contract management control environment in the three service directorates.</p>										
Progress update										
<p>1) Process developed with finance to respond to CreditSafe alerts. Complete</p> <p>2) Pipeline reporting frequency at Corporate Board increased to quarterly and process is in place for monthly review by Director of Procurement and Executive Director of Finance. Procurement staff review monthly and make sure plans are in place with departments. Complete</p> <p>3) Contract compliance and optimisation workstream plan was approved at Corporate Board in December 2019 and phased implementation was under way, prior to COVID-19. Implementation of phased plan paused whilst efforts are focussed on the COVID-19 response.</p> <p>4) Transition/handover checklist developed and in use. Complete.</p> <p>5) Internal Audit have completed an audit of the senior management monitoring of significant contracts. Complete</p>										

Risk Number	RM006		Date of update		28 May 2021					
Risk Name	The potential risk of failure to deliver our services within the resources available for the period 2021/22 to the end of 2023/24.									
Portfolio lead	Cllr. Andrew Proctor			Risk Owner	Tom McCabe					
Risk Description			Date entered on risk register		13 June 2019					
The failure to deliver agreed savings or to deliver our services within the resources available, 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-22	Green
Tasks to mitigate the risk										
<p>1) Clear robust framework, '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										
<p>Regular budget and performance monitoring reports to Cabinet will continue to demonstrate how the Council is delivering against the 2021/22 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 to address the impact of COVID-19 within departments, with monitoring of 2021-22 spend to be reported to Cabinet on a monthly basis and monitoring of COVID-19 spend reported to Corporate Board regularly. Financial forecasting is taking place to further understand where there are likely to be areas of greater financial challenges as a result of COVID-19 beyond 2021/22. There will be an updated MTFs position reported to Cabinet within the year, savings proposals published for consultation in October, budget setting meeting of Full Council in February 2022, and monitoring reports taken to Cabinet in 2021/22. Work is being carried out by Departmental Leadership Teams, the Recovery Group and the Business Transformation Programme on future savings required. Savings proposals will be presented again for Member review and then taken to Cabinet.</p>										

Risk Number	RM010		Date of update		08 June 2021					
Risk Name	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.									
Portfolio lead	Cllr. Tom Fitzpatrick			Risk Owner	Simon George					
Risk Description				Date entered on risk register	01 July 2019					
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. 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	3	6	1	4	4	1	3	3	Sep-21	Green
Tasks to mitigate the risk										
<ol style="list-style-type: none"> 1) Full power down completed periodically 2) Replace ageing Local Area Network (LAN) equipment 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. 										
Progress update										

Progress update

- 1) Full power down completed as required by Property programme plans.
- 2) County Hall complete now rolling out to remaining offices throughout the County.
- 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.
- 5) We have delivered a Cyber Attack exercise with senior stakeholders to reduce the risk of taking the wrong action in the event of a cyber attack. We are scheduling a National Cyber Security Centre (NCSC) 'Exercise in a box' session for IMT to test our approach during a cyber attack and we will follow this up with a NCSC 'Exercise in a box' exercise for the business leads, resilience team and IMT to jointly rehearse a cyber attack. IMT and the resilience team will be presenting a number of scenarios selected by the business to the silver group to test, understand and challenge a number of key disaster scenarios to inform the business continuity plans and highlight any further improvements we can make.
- 6) We have already held a Business Continuity exercise to understand and reduce the impact of risk scenarios and this will be re-run within 12 months to further reduce the risk. Since COVID-19 has resulted in the majority of the workforce working from home, the network has been able to cope effectively with a vastly increased number of users working remotely. Exercise Steel will build on the work of Exercise Horseshoe.
- 7) Rolling out security protections contained within Microsoft E5 licensing.
- 8) Infrastructure design evolving to accommodate cloud services and reduce reliance on County Hall infrastructure.

The score is based upon steady progress mitigating the risks and running exercises to rehearse what we do in the event of a failure.

Risk Number	RM013		Date of update	28 May 2021		
Risk Name	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.					
Portfolio lead	Cllr. Greg Peck		Risk Owner	Simon George		
Risk Description			Date entered on risk register	02 July 2019		
The failure of governance leading to controlled entities: Non Compliance with relevant laws (Companies Act 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	Prospects of meeting Target Risk Score by Target Date
1	4	4	1	4	4	Target Date Mar-22 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. The Council needs to ensure that it has given clear direction of it's policy, ambitions and expectations of the controlled entities. 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 NORSE board includes a Council Member and is currently chaired by the Executive Director of Strategy and Governance for the Council. There is a shareholder committee comprised of six Members. 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) Approve the Outline Business Case for Repton Property Developments Ltd.</p> <p>6) Shareholder representation required from the Executive Director of Finance and Commercial Services on both the Norse, and Repton Boards.</p> <p>7) Further strengthen risk governance and best practice sharing opportunities with NCC entities.</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, and a series of actions has been agreed by the then Policy and Resources Committee. 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. The new Chairman of Norse has initiated change with one Director looking after NCS and NPS, with a view to maximising returns back to NCC. A further strengthening of the Board is proposed with the appointment of two independent Non-Executive Directors with one vote each. As with Repton the appointments would be made through a transparent process of advertisement, interview and appointment.
- 4) The ED of F&CS directs external governance. An external company is undertaking a review of Norse Group's financial performance, discharging the Executive Director for Finance and Commercial Services' responsibility as per the Constitution.
- 5) The Outline Business Case for Repton Property Developments Ltd has been approved.
- 6) There is Shareholder representation from the Executive Director of Finance and Commercial Services on both the Norse, and Repton Boards.
- 7) Further best practice risk engagement with entities.

Risk Number	RM022b		Date of update		25 May 2021					
Risk Name	Implications of Brexit for a) external funding and b) Norfolk businesses									
Portfolio lead	Cllr. Graham Plant			Risk Owner		Tom McCabe				
Risk Description			Date entered on risk register		00 January 1900					
a) Departmental 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, which replaces EU funding. b) Now we have left the EU, we need to understand the implications for Norfolk businesses of the Territorial Cooperation Agreement and work with partners to support Norfolk businesses to trade.										
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	2	3	6	Mar-22	Amber
Tasks to mitigate the risk										
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.										
Progress update										
a) Proposal being developed to produce a Norfolk Investment Framework, to draw down the Shared Prosperity Fund - projects would be commissioned against the Framework priorities.										
b) LEP Resilience Manager collates intelligence for Government on issues affecting business. Signposting to support available from Government, Chamber and Growth Hub on NCC and partner websites. CBI scorecard commissioned on 'export intensity' in Norfolk and Suffolk, to help plan support for businesses to export (Government Plan for Growth priority).										

Risk Number	RM023		Date of update		28 May 2021					
Risk Name	Failure to respond to changes to demography, funding, and government policy, with particular regard to Adults Services.									
Portfolio lead	Cllr. Bill Borrett		Risk Owner		James Bullion					
Risk Description			Date entered on risk register		18 August 2017					
<p>Whilst acknowledging the pressures on adult social services, and providing some one-off additional funding, the Government has yet to set out a direction of travel for long-term funding. At the same time, the pressures of demography and complexity of need continue to increase. This makes effective strategic planning highly challenging and there is a risk that short-term reductions in support services have to be made to keep within budget; these changes are likely to be counter to the long-term Promoting Independence strategy. Overall risk treatment: Treat</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
5	5	25	5	5	25	2	4	8	Mar-22	Amber
Tasks to mitigate the risk										
<p>1) Implementation of Promoting Independence Strategy. This strategy is shaped by the Care Act with its call to action across public services to prevent, reduce and delay the demand for social care. The strategy aims to ensure that demand is understood and managed, and there is a sustainable model for the future.</p> <p>2) As part of the strategy, a shift of spend towards targeted prevention, reablement services, enablement, and strengthened interim care.</p> <p>3) Implementation of Better Care Fund plans which promote integration with the NHS and protect, sustain and improve the social care system.</p> <p>4) Judicious use of one-off winter and other funding, as announced by Government.</p> <p>5) Close tracking of government policies, demography trends and forecasts.</p> <p>6) Influencing and shaping the development and governance of the new Integrated Care System to ensure a strong focus on social care</p>										
Progress update										
<p>1) Detailed work to understand the financial and service impact of COVID for the next financial year and for medium term. Main themes for transformation being reviewed, and priorities for department being shaped. Overall strategy remains sound, but further work to identify the highest priority transformation areas and to track the interdependencies of programmes across the department..</p> <p>2) Market shaping and development - strengthened working relationships; significant financial support for the market, now requires on-going work in partnership with care sector to look at future shape and sustainability.</p> <p>3a) Refreshed preventions strategy required, building on the additional understanding and ways of working experienced throughout the pandemic.</p> <p>3b) Workforce – continues to be hugely challenging within Adult Social Services and in the wider care market. On-going recruitment campaign to sustain levels of front line social workers and</p>										

Progress update

occupational therapy staff. Joint European funded programme with Suffolk to support workforce in the wider care market

3c) Better Care Fund targeted towards supporting people to stay independent, promoting and enabling closer integration and collaboration across health and social care. Better Care Fund currently under review to reflect closer joint aims and objectives between health and social care

4) Close joint working with NHS, through the STP and interim Integrated Care System, to shape and influence future integration of health and social care

5) White Paper on Health and Social Care integration published in February 2021. Next steps on reform of funding for social care anticipated as part of the spending review in Autumn

6) Collaboration with children's services to develop a preparing for adult life service to strengthen transition experience for young people, and to improve service and budget planning.

Risk Number	RM024		Date of update		25 May 2021					
Risk Name	Failure to construct and deliver the Great Yarmouth 3rd River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction to be completed early 2023)									
Portfolio lead	Cllr. Martin Wilby		Risk Owner		Tom McCabe					
Risk Description			Date entered on risk register		14 June 2019					
<p>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. Overall risk treatment: Treat, with a focus on maintaining or reducing project costs and timescales.</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
2	4	8	2	4	8	2	3	6	Jan-23	Amber
Tasks to mitigate the risk										
<p>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:</p> <ol style="list-style-type: none"> 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. 										
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 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. 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 early 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	RM026		Date of update		26 May 2021					
Risk Name	Legal challenge to procurement exercise									
Portfolio lead	Cllr. Andrew Jamieson			Risk Owner	Simon George					
Risk Description			Date entered on risk register		04 June 2019					
That alleged breach of procurement law may result in a court challenge to a procurement exercise that could lead to delay, legal costs, loss of savings, reputational damage and potentially significant compensation 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	Dec-21	Green
Tasks to mitigate the risk										
<p>Review processes and practice in light of recent caselaw, in particular Amey Highways Ltd v West Sussex County Council [2019] EWHC 1291 (TCC) and Lancashire Care NHS Foundation Trust & Anor v Lancashire County Council [2018] EWHC 200 (TCC).</p> <ol style="list-style-type: none"> 1) At team meeting w/c 10 June 2019, remind procurement staff of need to escalate any proposal to run a procurement exercise in an unreasonably short timescale 2) Take pipeline to corporate board every six months and to directorate management teams quarterly to minimise risk of rushed procurement exercises. 3) Seek corporate board sign-off for new approach with consistently adequate timelines, fewer evaluators and greater control over choice of evaluator. 4) Review scale of procurement exercises, avoid unnecessarily large exercises that increase risk and complexity and the scale of any damages claim. 5) Make incremental change to instructions to evaluators and approach to scoring and documenting rationale, and test on tender NCCT41801 in w/c 3 June 2019. 6) Review standard scoring grid and test 'offline' on tender NCCT41830 w/c 10 June 2019 7) Review template provisional award letter w/c 17 June 8) Develop standard report to decision-maker w/c 17 June 9) Make more significant changes to instructions to evaluators and pilot new approach on a future tender. 10) Pilot new scoring grid in a future tender 11) Institute formal annual review of sourcing processes in light of developments in case law. Review each December; add to senior staff objectives. <p>Additional tasks identified February 2020:</p> <ol style="list-style-type: none"> 12) Update HotDocs to include definitive versions of new templates - by 31 March 2020 13) Formal sign-off of updated process by Nplaw- by 31 March 2020 14) Further formal training for procurement officers - by 30 April 2020 										
Progress update										

Progress update

- 1) Reminder given at team meeting - complete
- 2) Pipeline report frequency now quarterly. Pipeline being discussed with EDs or senior commissioners before each board - complete
- 3) Corporate board has signed off the new approach - complete
- 4) Ongoing as need to consider each procurement on a case by case basis.
- 5) Evaluator guidance was updated immediately. More significant changes have also now been implemented - see 9. Complete.
- 6) Scoring grid was updated as planned. Complete.
- 7) Template provisional award letter has been reviewed and updated. Complete
- 8) Existing reports have been reviewed and new report is being developed. Complete.
- 9) Evaluator guidance updated and in use as standard. Feedback from evaluators is positive. A new mechanism for capturing feedback on tenders is now in use after extensive piloting.
- 10) Scoring grid has now been updated and is in use as standard. - Complete
- 11) Added to senior staff objectives. Reviewed January 2020; no new issues identified beyond those in this risk 26
- 12) HotDocs templates have been updated. Complete.
- 14) All procurement staff in Sourcing have been trained in the new process and are adhering to it. Complete.

Additional task 13 was paused in the wake of managing the COVID-19 response. However, the Government's Procurement Green Paper is proposing a number of changes to the Public Contract Regulations, which would affect the process. Any changes are likely to be implemented in late 2021 and therefore this task will be put on hold until the impact on the process is understood.

Risk Number	RM027		Date of update		03 June 2021					
Risk Name	Risk of failure of new Human Resources and Finance system implementation (myOracle)									
Portfolio lead	Cllr. Tom FitzPatrick			Risk Owner	Simon George					
Risk Description			Date entered on risk register		16 August 2019					
Risk that there is a significant impact to HR and Finance services through potential lack of delivery of the new HR & finance system. 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	2	2	4	Sep-21	Green
Tasks to mitigate the risk										
<p>1) Strong subject expert engagement in the system configuration to ensure that myOracle meets the needs of the organisation</p> <p>2) Rigorous testing of the system and data validation prior to go-live.</p> <p>3) Strong business change plans and establishment of a wide network of business representatives to ensure that the business is ready for myOracle and that there is good adoption of the system.</p> <p>4) Robust governance through operational boards and Programme Steering Committee and sponsorship by Exec Director Finance and Commercial Services. Regular review of risks and escalation where necessary and management of contractual milestones within the steering committee. Sign off on contractual changes by the Cabinet Member and Leader where required.</p> <p>5) Member oversight of the programme through Corporate Select Committee.</p>										
Progress update										
<p>1)The myOracle programme is currently on track and in the implementation phase. We are working with subject matter experts on the final configuration and systems integration testing has commenced.</p> <p>2)Ensuring continuity of business over the transition to the new system will be critical and is being managed by Systems Integration Testing taking place in June and Validation testing taking place in August. In addition to this there will be a 3-month parallel pay run prior to go-live to ensure that the new system is ready to take over the pay runs.</p> <p>3)We are working with Socitm Advisory as our business change partner on the programme. Socitm bring significant local authority expertise and experience in adopting Oracle cloud and supporting business adoption. We have established a myOracle Business Readiness Implementation Group (BRIG) with senior representation from across NCC and are working with them to design the communications, training and readiness plans to take us through go-live and embedding the system. The myOracle intranet site was launched on 1 June and we also have over 150 myOracle Champions from departments across the authority who we will work with to provide communications and support to their departments over the coming months.</p> <p>4)There is on-going visibility of the plans via Programme Board and Programme Steering Committee. The award of integration services for Enterprise Performance Management module (EPM) was approved by the Leader and Cabinet Member for Innovation, Transformation and Performance in May 2021 and detailed plans are being developed for a November go-live of this module, which will replace Budget Manager.</p> <p>5)Regular reports have been provided to Corporate Select Committee and the next report will go to the 12th July Committee meeting.</p>										

Risk Number	RM028		Date of update	17 May 2021						
Risk Name	Risk of any failure to monitor and manage health and safety standards of third party providers of services									
Portfolio lead	Cllr. Andrew Proctor			Risk Owner	Sarah Shirtcliff					
Risk Description				Date entered on risk register	29 July 2019					
The potential for the Council not proactively monitoring and managing 3rd party providers to ensure the standards of health and safety. There is a risk of prosecution for health and safety failings, reputational damage and a failure to deliver services. 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	5	20	3	5	15	2	5	10	Mar-22	Green
Tasks to mitigate the risk										
<p>1) Departments to investigate specific concerns raised by the surveys</p> <p>2) Departments to review their approach to contract management and implement sustainable improvements in monitoring with the support of Health and Safety Team (HSW)</p>										
Progress update										
<p>1) Departments have reviewed their approach to contract management and integrated responsibilities into roles in revised structures.</p> <p>2) Monitoring is now actively in place across all services. Monitoring of service providers has significantly improved.</p> <p>3) Throughout 2020/21 the Health and Safety Team have been focussing efforts on carrying out risk assessments ahead of the re-opening of sites for service delivery. This work has included supporting departments to seek assurance on 3rd party providers approach to being COVID-Secure as their services re-open/scale up.</p> <p>Prospects of meeting target was changed to amber to reflect identification of some areas of further work needed following investigation by HSE. This was reported on in the annual report to support all services learning from the HSE findings. This has now been reverted to green as a result of action taken by the specific service involved in the HSE intervention.</p>										

Risk Number	RM029		Date of update		19 May 2021					
Risk Name	NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and longer term									
Portfolio lead	Cllr. Andrew Proctor		Risk Owner		Sarah Shirtcliff					
Risk Description			Date entered on risk register		29 July 2019					
<p>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</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
3	5	15	4	5	20	2	5	10	Mar-22	Amber
Tasks to mitigate the risk										
<ul style="list-style-type: none"> • Identification of what new critical skills are required in services – using new 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 <p>Creation of career families and professional communities, providing visible and clear career paths for colleagues.</p> <p>Adding a strengths based approach to performance development conversations and development plans - help people to know what their strengths are and the range of jobs where they could use those strengths</p> <p>Recruit for strengths not just qualifications and skills and experience</p> <ul style="list-style-type: none"> • 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 employment packages • 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 										

Progress update

1. Working with education providers to ensure subjects meet future workforce requirements – no further update
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.
3. Work on how to use the full Talent module in Oracle will commence during optimisation year post November 2021
4. An email survey relating to digital skills has been created and piloted, enabling individuals to get instant access to information and learning resources relating to their own particular digital skills competence. This will be rolled out during 2021. Draft mandatory training policy has been socialised with DMTs and is ready to be signed off by the NDA board
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.

Current likelihood score increased to 4 and prospects of meeting target to amber in light of challenges for front line workers and early sight of survey reporting workforce pressures.

Risk Number	RM030		Date of update		26 May 2021						
Risk Name	Non-realisation of Children's Services Transformation change and expected benefits										
Portfolio lead	Cllr. John Fisher			Risk Owner		Sara Tough					
Risk Description			Date entered on risk register		08 August 2019						
There is a 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											
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	5	20	3	5	15	1	5	5	Mar-23	Amber	
Tasks to mitigate the risk											
1) A demand management and prevention strategy and associated business cases have been completed and a 5 year transformation programme has been established covering social care and education											
2) Significant investment has been provided to delivery transformation including £12-15 million for demand management and prevention in social care 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) Scrutiny structures are in place through the Norfolk Futures governance processes 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 etc											
6) Interdependencies with other enabling transformation programmes e.g. smarter working will be aligned to help maximise realisation of benefits.											
Progress update											

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 24 months of initial 5 year programme, therefore scored 3.

May 2021 update:

- The investment in transformation has proved successful during the last 24 months- have met existing targets for specific schemes albeit in the context of overall dept overspends
- A balanced budget outturn position for 2020/21 was achieved, including a contribution to a Children's Services Business Risk Resilience reserve due to one-off Covid-related underspends
- Overall programme has broken even and delivering net cash benefits – growing in the coming years
- Core indicator of number of Children in Care is broadly stable
- Following first COVID lockdown, resulted in a 6-month delay to existing schemes – so potential shortfall on planned savings as well as delivering new targets are built into forecast for 2021/22
- Still working with considerable uncertainty in terms of demand levels and other factors so will need to keep all modelling under-review
- Transformation programme is shifting focus more to delivering system-wide early help and prevention and responding to the enduring impacts of the pandemic
- Focus on COVID response has reduced, main focuses are balancing transformation with a focus on Ofsted – delivering SEN Written Statement of Action, continuing our social care practice programme and readiness for 2-week social care inspection

Risk Number	RM031		Date of update		26 May 2021					
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 the NCC Funded Children's Services budget results in a significant overspend that will need to be funded from other parts of Norfolk County Council										
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	4	5	20	3	5	15	Mar-22	Amber
Tasks to mitigate the risk										
<p>Improved monitoring systems identified and revised CSLT tier 2, 3 & 4 structure proposed. Transformation programme that is targeting 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. In turn, this will enable the most expensive areas of NCC funded spend (placement costs and staffing costs) to be well controlled and to remain within budget. Cohorts will be regularly analysed to ensure that all are targeted appropriately.</p> <p>The Functioning Family Therapy service has been launched. Family Group Conferencing is being reintroduced.</p> <p>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.</p>										
Progress update										
<p>Scoring rationale - Risk impact relates to financial impact of over £3m, therefore scored 5. Risk likelihood has reduced from "almost certain" to probable, due to department currently projecting a balanced budget outturn position for 2020/21, but balanced against considerable financial pressures for 2021/22 and uncertainties due to COVID 19. Risk "Target date" updated to the end of the next financial year</p> <p>May 2021 update:</p> <p>Improved monitoring systems in place and becoming embedded: Assistant Director financial monitoring meetings, LAC tracker, Permanency Planning Meetings, DCS Quarterly Performance meetings, weekly "Time for Outstanding Outcomes" Meetings and Transformation and Benefits Realisation Board chaired by Cabinet Member CS and attended by Members and CSLT.</p> <p>Multiple Transformation projects under-way and delivered, for example the new Social Care delivery model, Fostering Recruitment Transformation and use of an enhanced fostering model have been delivered. Our remodelled LAC and LC Service went live on schedule in April 2021 as well as our</p>										

Progress update

Targeted Youth Support Service in February 2021. Norfolk has been successful in being awarded DfE funding to introduce the No Wrong Door model in partnership N. Yorks, which will be called New Roads. This is a proven model at working with adolescents differently improving outcomes and reducing costs. We remain on track for a go live date of June 2021.

Children Looked After numbers have now been in steady sustained decline for a since January 2019, which has resulted in reduced overall placement costs. The rate of reduction has slowed during COVID, and is broadly stable. Where numbers have reduced, overall unit costs have not decreased. A number of existing transformation projects are in train to support these young people more effectively and reduce unit costs over the medium term.

Over the course of this year and beyond a core focus of our transformation will be to reshape the system of preventative and early help services in Norfolk, further reducing demand for specialist services.

Risk Number	RM032a		Date of update		28 May 2021					
Risk Name	Effect of COVID-19 on NCC business continuity (staff, service users, and service delivery)									
Portfolio lead	Cllr. Andrew Proctor			Risk Owner	Tom McCabe					
Risk Description			Date entered on risk register		27 February 2020					
<p>There is a risk of disruption to service delivery if there are widespread cases of COVID-19 in Norfolk affecting the health, safety and wellbeing of Norfolk County Council and contracted partner employees. This could impact on Norfolk County Council financially and reputationally. Cause: Not effectively containing COVID-19. Event: Widespread positive cases of COVID-19 across Norfolk, affecting NCC staff, partners, and service users. Effect: There are potential effects on staff, partner organisations, and service user's health, safety and wellbeing if there is widespread exposure to COVID-19 within Norfolk. Overall risk treatment: Treat</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
2	5	10	4	4	16	3	2	6	30.09.2021	Green
Tasks to mitigate the risk										
<p>1) Coordination of communications to make staff, service users, and contracted third parties aware of the latest guidance from Public Health England to help to contain cases of COVID-19, provide reassurance of the Council's response to COVID-19, contribute to the support structure, and demonstrate leadership. Action owner: James Dunne</p> <p>2) Ensuring staff continue to be provided with information on safe working, particularly for those working in the community. To continue to ensure that measures to support mental health are available. Action owner: Derryth Wright</p> <p>3) Modelling to be carried out to give best estimates on the prevalence of COVID-19 in Norfolk. Action Owner: Tim Winters</p> <p>4) Adaptation of Business Continuity arrangements to meet service demands. Business Continuity Plan owners will need to review BCP's with their management teams to ensure that they reflect changes since COVID-19 which could affect current plans around such events as a loss of ICT, loss of a key system, shortage of key personnel, recognising other current priorities of services. Action Owner: Heads of Service</p> <p>5) Assessment of financial impact. Action Owner: Harvey Bullen</p> <p>6) Continued monitoring of risk mitigation progress for recovery risks. Action Owner: Programme Board and Risk Management Officer</p> <p>7) Identifying nuanced implications of pupils back at school and working to ensure that all aspects of this are managed. Action Owner: Chris Snudden</p> <p>8) To ensure that children with disabilities (CWD) and their families are able to access short breaks to prevent family breakdown or potential harm to vulnerable children.</p>										
Progress update										

Progress update

- 1) Communications continue to go out to all staff advising on how to seek further guidance issued by Public Health England. External communications to third parties are reviewed to ensure that external communications as well as internal communications are consistent. Communications are providing reassurance of the Council's response to COVID-19, contributing to the support structure, and demonstrating leadership. Members are receiving a Members Briefing document. In line with cases rising nationally and a subsequent second national lockdown, communications have been launched to further help to stop the spread of COVID-19 in Norfolk, encouraging people to stay at home as much as possible to protect ourselves, protect others and protect Norfolk.
- 2) Office-based staff continue to work at home wherever possible. All staff continue to receive guidance on safe working, including the use of personal protective equipment provided for staff delivering face to face services. The Health and Safety team continue to issue regular communications and provide wellbeing support to ensure people have access to any mental health support they may need including Norfolk Support Line, Mental Health First Aid Champions, wellbeing officers, and online e-Learning on personal resilience, all of which are available to staff. Support channels continue to be widely communicated to staff. This is important to help to mitigate the risk of staff feeling isolated from prolonged home working. Significant changes re. PPE have been incorporated in the guidance. The wellbeing staff survey provides greater insight to the wellbeing of the workforce during COVID-19. The survey is showing an increased level of pressure being felt by staff in the teams that have undertaken it, but the survey is designed to support the development of solutions by the team, for the team. This will help teams to manage their wellbeing directly. The provision of additional well-being support is also being launched through a wider winter offer. This includes adult learning sessions following the 5 ways to wellbeing model.
- 3) Modelling has been carried out to provide further understanding of the numbers of expected cases in Norfolk. We have also modelled to align numbers of resources to how many we think we need e.g. for social care discharges, community food distribution, and projected mortality rates. The COVID-19 epidemic curve forecasts produced at a national and regional level for mortality, hospital admissions and infection prevalence are being applied to our local population as we have done previously. This gives us scenarios around which to estimate system capacity required for testing, hospital admissions, hospital discharges and mortality. The Head of Public Health Information is reviewing the implications for Norfolk of the potential national scenarios as and when they are published.
- 4) Service delivery is being modified to adapt to the everchanging demands on services, including through online channels during lockdown for those services where it is appropriate to do so. Significant work on winter planning has been carried out, including putting in place contingency plans with key providers. In relation to care homes, the Health Protection Care Provider delivery group continues to support collaboration between NCC and Norfolk & Waveney

Progress update

CCG and has been developed to both prevent new outbreaks in care homes and support those currently experiencing an outbreak. The Care Provider Incident Room (managed by N&W CCG) is the single point of contact for care homes to access support and advice and to report outbreaks. The Outbreak Management Team (managed by NCC) includes a Multi-disciplinary team with the ASSD Quality team working with PH consultants to manage outbreaks and to offer wrap around support to care homes. Enhanced arrangements continue to be in place for governance & oversight, infection control, testing, PPE & clinical equipment, workforce support and financial support. Business Continuity Plans across the Council continue to be reviewed to ensure they incorporate changes to service delivery. Consideration is being given to looking at how to gauge any potential capacity issues. Our critical services list is being reviewed, so we are clear about where we need to put our efforts in the event of a reduction in capacity. Key areas have recruited additional resource, including Public Health and Resilience. We continue to work as part of the Norfolk Resilience Forum (NRF), so that capacity across all agencies can be assessed (this is reviewed regularly as part of the NRF dashboard). A separate risk (RM14447) is being managed at departmental level (CES) on concurrent major disruptions to business.

5) There is financial monitoring of in-year cost to address the impact of COVID-19 within departments, with monitoring of 2020-21 spend reported to Cabinet on a monthly basis. Financial forecasting is taking place to further understand where there are likely to be areas of greater financial challenges as a result of COVID-19 beyond 2020-21. The Strategic and Financial Planning report was taken to Cabinet in October highlighting the latest assessment of significant areas of risk and uncertainty around emerging budget pressures for the 2021-22 Budget and Medium Term Financial Strategy. This paper also asked Members to consider and agree proposed savings. Public consultation will be undertaken on the 2021-22 Budget and saving proposals ahead of the budget setting meeting of Full Council in February 2021. The October paper also proposed next steps in the Budget planning process for 2021-22, including the actions required to develop further saving proposals in light of the significant uncertainty about the overall financial position. Monitoring reports will be taken to Cabinet in 2021-22.

6) Ongoing monitoring of risk mitigation progress on a weekly review through Recovery Group, with support from the Risk Management Officer.

7) Staff with children continue to show great flexibility around family needs. The Health and Safety team are working with Children's Services (CS) on the general monitoring programme, with Children's Services identifying which schools require additional support. Health and Safety are providing feedback to CS with common themes needing to be addressed.

8) CWD short breaks is one of the prioritised areas under Theme G, with additional support provided in response to growing evidence of fatigue and strain amongst families.

NB: Options are currently being developed for the re-scoping of this risk. This will be carried out in conjunction with the Resilience Policy and Framework refresh.

Scrutiny Options for Managing Corporate Risks

Reflecting good risk management practice, there are some helpful prompts that can help scrutinise risk, and guide future actions. These are set out below.

Suggested prompts for risk management improvement discussion

In reviewing the Council's corporate risks there are a number of risk management improvement questions that can be worked through to aid the discussion, as below:

1. What progress with risk mitigation is predicted?
2. How can progress with risk mitigation be improved?
3. When will progress be back on track?
4. What can we learn for the future?

In doing so, committee members are asked to consider the actions that have been identified by the risk owner and reviewer.

Risk Management improvement – potential actions

A standard list of suggested actions have been developed. This provides members with options for next steps where reported risk management scores or progress require follow-up and additional work.

All actions, whether from this list or not, will be followed up and reported back to the committee.

Potential follow-up actions

	Action	Description
1	Approve actions	Approve recommended actions identified in the exception reporting and set a date for reporting back to the committee
2	Identify alternative/additional actions	Identify alternative/additional actions to those recommended in the exception reporting and set a date for reporting back to the committee
3	Refer to Departmental Management Team (DMT)	DMT to work through the risk management issues identified at the committee meeting and develop an action plan for improvement and report back to the committee
4	Refer to committee task and finish group	Member-led task and finish group to work through the risk management issues identified at the committee meeting and develop an action plan for improvement and report back to committee
5	Refer to Corporate Board	Identify key actions for risk management improvement and refer to Corporate Board for action
6	Refer to Cabinet	Identify key actions for risk management improvement that have whole Council 'Corporate risk' implications and refer them to Cabinet for action.

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.

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.

Risk Management Health Check Summary

In early 2021, a routine independent health check of the Council's Risk Management Function was sought and commissioned, to be carried out by the Council's insurance contractor and funded from within the capacity of the existing insurance contract, at no additional cost to the Council.

Stages of the Health Check

Between March and May 2021, the health check was carried out, comprised of three different stages as follows;

- 1) A desktop review of key supporting documents
- 2) Meetings with risk management stakeholders to understand and evaluate the current approach
- 3) Delivery of a report providing insight into the effectiveness of risk management and providing recommendations for further improvements

Results

The health check assessed six key areas on a scale of 1 to 5 (5 being the optimal rating) with the results as follows;

Area of Scrutiny	What it determined	Current Level Identified
Leadership & Management	Whether senior management support and promote risk management.	Level 4 - Embedded
Strategy & Policy	Whether clear strategies and policies exist for risk management.	Level 4 - Embedded
Processes & Tools	Whether the organisation has effective risk processes to support the business.	Level 4 - Embedded
Risk Handling & Assurance	Whether risks are handled well and the organisation has assurance that risk management is delivering successful outcomes and supporting creative risk-taking.	Level 4 - Embedded
People & Training	Whether people are equipped and supported to manage risk well.	Level 3 - Working
Partnerships, Shared Risks & Projects	Whether there are effective arrangement for managing risks with partners and within projects	Level 3 - Working

Recommendations

Following the undertaking of stages one and two of the review, recommendations were identified and included as part of stage 3 for the report. A total of thirty recommendations were identified across the six areas assessed, ranging from very minor stylistic points on risk presentation, to more involved recommendations to be implemented over a period of time to further strengthen risk management. As recommendations are implemented, progress will be noted in future risk management reports to both the Cabinet and Audit Committee.

Key Changes to Corporate Risks

The quarterly review of the corporate risk register has generated the following proposed changes, which were agreed by the Cabinet on 5th July 2021;

Risk Closure

- Risk **RM022a - Implications of Brexit for Council staff and services** has been closed, as the major short-term implications of Brexit for Council staff and services have now been worked through. There remains a residual risk for Adult Social Care staff, which is being treated at a departmental level within the Adult Social Services department.

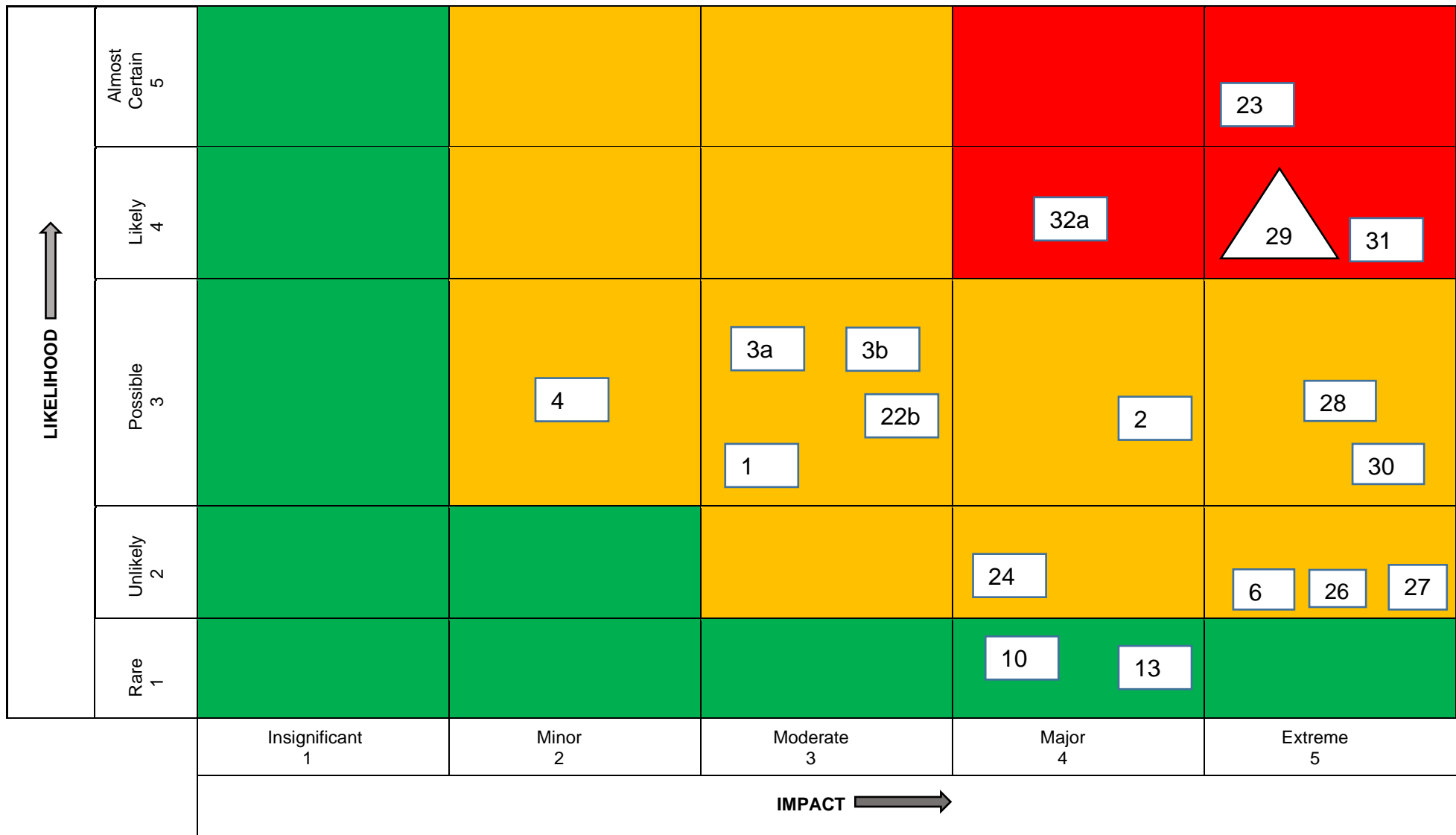
Risk Score Change

- The risk score of **RM029 - NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and beyond** has been increased from 15 to 20, (current likelihood score increasing from 3 to 4) and the prospects of meeting the target score by the target date revised from green to amber in light of challenges for front line workers and early sight of the Council's staff survey reporting workforce pressures.

Risk Ownership Change

- The ownership of risk **RM027 - Risk of failure of new Human Resources and Finance system implementation (myOracle)** has been transferred from the Programme Director to the Executive Director of Finance and Commercial Services, who is the executive sponsor for the programme.

Corporate Risks - Heat Map



Key = Risk score increase = no score change = risk score decrease

No.	Risk description	No.	Risk Description
RM001	Not realising infrastructure funding requirements to achieve the infrastructure ambition of the Business Plan.	RM022b	Implications of Brexit for a) external funding and b) Norfolk businesses
RM002	The potential risk of failure to manage significant reductions in local and national income streams.	RM023	Lack of clarity on sustainable long-term funding approach for adult social services at a time of increasing demographic pressures and growing complexity of need.
RM003a	Potential for failure to comply with statutory information compliance requirements.	RM024	Failure to construct and deliver the Great Yarmouth 3rd River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction to be completed early 2023).
RM003b	Potential for failure to comply with relevant information security requirements	RM026	Legal challenge to procurement exercise.
RM004	The potential risk of failure to deliver effective and robust contract management for commissioned services.	RM027	Risk of failure of new Human Resources and Finance system implementation (myOracle).
RM006	The potential risk of failure to deliver our services within the resources available for the period 2018/19 to the end of 2020/21.	RM028	Risk of failure to monitor and manage health and safety standards of third-party providers of services.
RM010	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.	RM029	NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and longer term.
RM013	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	RM030	Non-realisation of Children's Services Transformation change and expected benefits.
		RM031	NCC Funded Children's Services Overspend
		RM032a	Effect of COVID-19 on NCC business continuity (staff, service users, and service delivery)

Risk Number	RM001		Date of update		25 May 2021					
Risk Name	Not realising infrastructure funding requirements to achieve the infrastructure ambition of the Business Plan									
Portfolio lead	Cllr. Martin Wilby		Risk Owner		Tom McCabe					
Risk Description			Date entered on risk register		03 June 2019					
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-22	Amber
Tasks to mitigate the risk										
<p>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.</p> <p>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.</p> <p>1.3) Engage with providers of national infrastructure – Highways England 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.</p> <p>1.4) Review Planning Obligations Standards annually to ensure the county council is able to seek and secure the maximum possible contribution from developers.</p> <p>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.</p> <p>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.</p>										
Progress update										

Progress update

Overall: Impact of Covid-19 likely to affect funding streams in both the short and longer-term.

- 1.1) NWL: Cabinet agreed 7 June to appoint Design and Build contractor and submit Outline Business Case (OBC) to DfT. City Council withdrew their support for NWL on 20 January 2021. Liaison with city council continues, including through development of TfN strategy. OBC for Long Stratton Bypass submitted to DfT 15 Jan 2021. West Winch Housing Access Road Strategic OBC submitted to DfT at end of March. A47/A17 Pullover Junction King's Lynn: Work has identified three options for improvement. Preferred Option to be identified and taken through DfT Major Road funding stream. Transforming Cities now in delivery phase. Gt Yarmouth Third River Crossing: Works started on 4 January 2021 as planned. Continuing to work with districts on a range of infrastructure projects.
- 1.2) Funding secured from PBR for development of Norwich Western Link and West Winch Housing Access Relief Road (see 1.1). DfT invited authorities to bid for next round of Travel Fund on 14 June; bid to be worked up. Delivery phase continues on previous funding secured. Work continues on scope of levelling-up bids. Community Renewal Fund bids appraised by county council and agreement reached with partners on submissions that meet the fund requirements (closing date 18/6). Meetings are planned over the coming few weeks to agree the approach.
- 1.3) A47 Alliance refreshed advocacy work up to 2021 spending review agreed with partners and being discussed with members. Great Eastern Main Line (Norwich to London rail): Review of the programme underway by Network Rail, focusing on performance and journey time improvements, following minor improvements starting in June. Continuing to support East West Rail Consortium; pre-SOBC work continues on Eastern Section. Response to A47 Blofield to Burlingham DCO submitted to Planning Inspectorate by 6 April deadline. DCOs submitted by Highways England for Easton to Tuddenham and Thickethorn; NCC response being coordinated, closing dates yet to be announced.
- 1.4) Officers have updated the County Council's Planning Obligations Standards (2021) and will continue to update annually to ensure the county council is able to seek and secure the maximum possible contribution from developers. Government review of planning system (consultation – Planning White Paper) published in August 2020. County Council response agreed at October Cabinet and submitted. Officers are working with the County Council Network (CCN) and the Regional Planning Obligations Officer Group to lobby the Ministry of Housing Communities and Local Government (MHCLG) on proposed reforms to the developer contributions.
- 1.5) Continuing to work with Transport East on transport strategy (consultation planned for autumn); liaising with DfT, Network Rail and Highways England on strategic road and rail schemes; attending wider partnership groups including LEP Transport Board.
- 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.

Risk Number	RM002		Date of update		25 May 2021					
Risk Name	The potential risk of failure to manage significant reductions in local and national income streams									
Portfolio lead	Cllr. Andrew Jamieson			Risk Owner	Simon George					
Risk Description			Date entered on risk register		31 May 2019					
This may arise from global or local economic circumstances (i.e. Brexit), government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Strategy savings required for 2021/22 - 2024/25 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-22	Amber
Tasks to mitigate the risk										
<p>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 Corporate Board 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.</p>										
Progress update										
<p>County Council on 21.02.21 approved the 2021-22 budget and future Medium Term Financial Strategy 2021-25 taking into account the Final Local Government Finance settlement for 2021-22. The risk target score for 31 March 2021 has been met. The council's external auditors gave an unqualified audit opinion on the 2019-20 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 31.03.2020. 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. Further reports will be presented to Cabinet during the year incorporating future Government funding announcements and updates on the budget planning process in order that County Council can agree the 2022-23 Budget and level of council tax at its February 2022 meeting.</p>										

Risk Number	RM003a		Date of update	24 May 2021						
Risk Name	Failure to comply with statutory 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.										
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	31/09/2021	Green
Tasks to mitigate the risk										
<ol style="list-style-type: none"> 1. Mandatory Information Governance Training for all 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 efficiency and effectiveness 										
Progress update										
<p>Information Governance action plan 2020 has been delivered to ensure a more robust Information Governance culture.</p> <p>New mandatory training for Information Governance (Data Protection Essentials) launched in January 2021 which has received positive feedback and completion rate has reached over 95%.</p> <p>Information Governance Group has been relaunched with a new escalation Steering Group comprising the SIRO, DPO, Dir IMT, Audit and Caldicott Guardians to deliver a strong focus and accountability on information related matters.</p> <p>Management information in place to allow actions to be taken on activity within the team and resource to be appropriately allocated / requested. Significant improvements in many areas including Freedom of Information Requests and Police disclosures. Subject Access Requests are improving and focus remains on these.</p> <p>Positive relationship with the ICO in relation to data incidents and responses to subject access requests which helps demonstrate a good culture towards information in NCC.</p> <p>Clear focus of activity in 2021/22 to improve efficiency in the team when dealing with requests (online FOI form has already been delivered) which will further improve the resource availability the Information Governance Team can give to support IG queries across NCC.</p> <p>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.</p> <p>Risk score of 9 remains until all activity has had time to embed fully into the business - still on course to meet the September 21 deadline for reduction.</p>										

Risk Number	RM003b		Date of update		08 June 2021					
Risk Name	Failure to comply with relevant information 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 failing to comply with relevant information security requirements (e.g. NIS, FSN, PCI-DSS, Cyber-Essentials Plus, and NHS DSP Toolkit) which could lead to reputational damage and financial 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	3	9	1	3	3	Sep-21	Green
Tasks to mitigate the risk										
<ol style="list-style-type: none"> 1. Mandatory Training in place for all colleagues - ongoing 2. Development and monitoring of MI for breaches - ongoing 3. Implementation of improved security measures - ongoing 4. External networking to ensure best practice - ongoing 5. 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 - ongoing 										
Progress update										
<ul style="list-style-type: none"> - Rollout of new Mandatory training to 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 IT training; - 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. - Security patches being applied and software security kept up to date. 										
<p>Risk score of 9 at present due to improved measures that have been implemented but acknowledgment that further activities would reduce the risk further, with a number of new challenges in a COVID landscape. The impact should anything happen would likely result in local or national media attention, depending on the severity of the issue.</p>										

Risk Number	RM004		Date of update		03 June 2021					
Risk Name	The potential risk of failure to deliver effective and robust contract management for commissioned services.									
Portfolio lead	Cllr. Andrew Jamieson			Risk Owner	Simon George					
Risk Description			Date entered on risk register		02 June 2019					
Ineffective contract management leads to wasted expenditure, poor quality, unanticipated supplier default or contractual or legal disputes. The council spends some £700m 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	2	3	6	Mar-22	Met
Tasks to mitigate the risk										
<p>1) By October 2019 implement a proactive system to identify early signs of potential supplier financial failure and respond appropriately. Next steps: - Develop robust process to respond to CreditSafe alerts</p> <p>2) Continue to report the pipeline of expiring contracts to Corporate Board every six months. Continue to discuss the pipeline of expiring contracts with CES DMT every quarter. Next steps: - Start to discuss the pipeline of expiring contracts with other departmental management teams or individual senior managers</p> <p>3) Through the contract compliance and optimisation workstream of the Smarter Workstream priority under the Norfolk Futures programme, implement measures to ensure that staff who have contract management as part of their job have the relevant skills and support to manage contracts effectively. Next steps: Implement phased plan as agreed at corporate board 3 December 2019</p> <p>4) Develop a standard specification for service transition that can be used as the basis for new sourcing exercises and used to manage transitions effectively by end June 2019</p> <p>5) Internal audit undertaking audits of the contract management control environment in the three service directorates.</p>										
Progress update										
<p>1) Process developed with finance to respond to CreditSafe alerts. Complete</p> <p>2) Pipeline reporting frequency at Corporate Board increased to quarterly and process is in place for monthly review by Director of Procurement and Executive Director of Finance. Procurement staff review monthly and make sure plans are in place with departments. Complete</p> <p>3) Contract compliance and optimisation workstream plan was approved at Corporate Board in December 2019 and phased implementation was under way, prior to COVID-19. Implementation of phased plan paused whilst efforts are focussed on the COVID-19 response.</p> <p>4) Transition/handover checklist developed and in use. Complete.</p> <p>5) Internal Audit have completed an audit of the senior management monitoring of significant contracts. Complete</p>										

Risk Number	RM006		Date of update	28 May 2021						
Risk Name	The potential risk of failure to deliver our services within the resources available for the period 2021/22 to the end of 2023/24.									
Portfolio lead	Cllr. Andrew Proctor		Risk Owner	Tom McCabe						
Risk Description			Date entered on risk register	13 June 2019						
The failure to deliver agreed savings or to deliver our services within the resources available, 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-22	Green
Tasks to mitigate the risk										
<p>1) Clear robust framework, '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										
<p>Regular budget and performance monitoring reports to Cabinet will continue to demonstrate how the Council is delivering against the 2021/22 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 to address the impact of COVID-19 within departments, with monitoring of 2021-22 spend to be reported to Cabinet on a monthly basis and monitoring of COVID-19 spend reported to Corporate Board regularly. Financial forecasting is taking place to further understand where there are likely to be areas of greater financial challenges as a result of COVID-19 beyond 2021/22. There will be an updated MTFs position reported to Cabinet within the year, savings proposals published for consultation in October, budget setting meeting of Full Council in February 2022, and monitoring reports taken to Cabinet in 2021/22. Work is being carried out by Departmental Leadership Teams, the Recovery Group and the Business Transformation Programme on future savings required. Savings proposals will be presented again for Member review and then taken to Cabinet.</p>										

Risk Number	RM010		Date of update		08 June 2021					
Risk Name	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.									
Portfolio lead	Cllr. Tom Fitzpatrick			Risk Owner	Simon George					
Risk Description				Date entered on risk register	01 July 2019					
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. 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	3	6	1	4	4	1	3	3	Sep-21	Green
Tasks to mitigate the risk										
<ol style="list-style-type: none"> 1) Full power down completed periodically 2) Replace ageing Local Area Network (LAN) equipment 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. 										
Progress update										

Progress update

- 1) Full power down completed as required by Property programme plans.
- 2) County Hall complete now rolling out to remaining offices throughout the County.
- 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.
- 5) We have delivered a Cyber Attack exercise with senior stakeholders to reduce the risk of taking the wrong action in the event of a cyber attack. We are scheduling a National Cyber Security Centre (NCSC) 'Exercise in a box' session for IMT to test our approach during a cyber attack and we will follow this up with a NCSC 'Exercise in a box' exercise for the business leads, resilience team and IMT to jointly rehearse a cyber attack. IMT and the resilience team will be presenting a number of scenarios selected by the business to the silver group to test, understand and challenge a number of key disaster scenarios to inform the business continuity plans and highlight any further improvements we can make.
- 6) We have already held a Business Continuity exercise to understand and reduce the impact of risk scenarios and this will be re-run within 12 months to further reduce the risk. Since COVID-19 has resulted in the majority of the workforce working from home, the network has been able to cope effectively with a vastly increased number of users working remotely. Exercise Steel will build on the work of Exercise Horseshoe.
- 7) Rolling out security protections contained within Microsoft E5 licensing.
- 8) Infrastructure design evolving to accommodate cloud services and reduce reliance on County Hall infrastructure.

The score is based upon steady progress mitigating the risks and running exercises to rehearse what we do in the event of a failure.

Risk Number	RM013		Date of update	28 May 2021		
Risk Name	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.					
Portfolio lead	Cllr. Greg Peck		Risk Owner	Simon George		
Risk Description			Date entered on risk register	02 July 2019		
The failure of governance leading to controlled entities: Non Compliance with relevant laws (Companies Act 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	Prospects of meeting Target Risk Score by Target Date
1	4	4	1	4	4	Target Date Mar-22 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. The Council needs to ensure that it has given clear direction of it's policy, ambitions and expectations of the controlled entities. 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 NORSE board includes a Council Member and is currently chaired by the Executive Director of Strategy and Governance for the Council. There is a shareholder committee comprised of six Members. 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) Approve the Outline Business Case for Repton Property Developments Ltd.</p> <p>6) Shareholder representation required from the Executive Director of Finance and Commercial Services on both the Norse, and Repton Boards.</p> <p>7) Further strengthen risk governance and best practice sharing opportunities with NCC entities.</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, and a series of actions has been agreed by the then Policy and Resources Committee. 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. The new Chairman of Norse has initiated change with one Director looking after NCS and NPS, with a view to maximising returns back to NCC. A further strengthening of the Board is proposed with the appointment of two independent Non-Executive Directors with one vote each. As with Repton the appointments would be made through a transparent process of advertisement, interview and appointment.
- 4) The ED of F&CS directs external governance. An external company is undertaking a review of Norse Group's financial performance, discharging the Executive Director for Finance and Commercial Services' responsibility as per the Constitution.
- 5) The Outline Business Case for Repton Property Developments Ltd has been approved.
- 6) There is Shareholder representation from the Executive Director of Finance and Commercial Services on both the Norse, and Repton Boards.
- 7) Further best practice risk engagement with entities.

Risk Number	RM022b		Date of update		25 May 2021					
Risk Name	Implications of Brexit for a) external funding and b) Norfolk businesses									
Portfolio lead	Cllr. Graham Plant			Risk Owner		Tom McCabe				
Risk Description			Date entered on risk register		00 January 1900					
a) Departmental 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, which replaces EU funding. b) Now we have left the EU, we need to understand the implications for Norfolk businesses of the Territorial Cooperation Agreement and work with partners to support Norfolk businesses to trade.										
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	2	3	6	Mar-22	Amber
Tasks to mitigate the risk										
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.										
Progress update										
a) Proposal being developed to produce a Norfolk Investment Framework, to draw down the Shared Prosperity Fund - projects would be commissioned against the Framework priorities.										
b) LEP Resilience Manager collates intelligence for Government on issues affecting business. Signposting to support available from Government, Chamber and Growth Hub on NCC and partner websites. CBI scorecard commissioned on 'export intensity' in Norfolk and Suffolk, to help plan support for businesses to export (Government Plan for Growth priority).										

Risk Number	RM023		Date of update		28 May 2021					
Risk Name	Failure to respond to changes to demography, funding, and government policy, with particular regard to Adults Services.									
Portfolio lead	Cllr. Bill Borrett			Risk Owner	James Bullion					
Risk Description			Date entered on risk register		18 August 2017					
Whilst acknowledging the pressures on adult social services, and providing some one-off additional funding, the Government has yet to set out a direction of travel for long-term funding. At the same time, the pressures of demography and complexity of need continue to increase. This makes effective strategic planning highly challenging and there is a risk that short-term reductions in support services have to be made to keep within budget; these changes are likely to be counter to the long-term Promoting Independence strategy. 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
5	5	25	5	5	25	2	4	8	Mar-22	Amber
Tasks to mitigate the risk										
<p>1) Implementation of Promoting Independence Strategy. This strategy is shaped by the Care Act with its call to action across public services to prevent, reduce and delay the demand for social care. The strategy aims to ensure that demand is understood and managed, and there is a sustainable model for the future.</p> <p>2) As part of the strategy, a shift of spend towards targeted prevention, reablement services, enablement, and strengthened interim care.</p> <p>3) Implementation of Better Care Fund plans which promote integration with the NHS and protect, sustain and improve the social care system.</p> <p>4) Judicious use of one-off winter and other funding, as announced by Government.</p> <p>5) Close tracking of government policies, demography trends and forecasts.</p> <p>6) Influencing and shaping the development and governance of the new Integrated Care System to ensure a strong focus on social care</p>										
Progress update										
<p>1) Detailed work to understand the financial and service impact of COVID for the next financial year and for medium term. Main themes for transformation being reviewed, and priorities for department being shaped. Overall strategy remains sound, but further work to identify the highest priority transformation areas and to track the interdependencies of programmes across the department..</p> <p>2) Market shaping and development - strengthened working relationships; significant financial support for the market, now requires on-going work in partnership with care sector to look at future shape and sustainability.</p> <p>3a) Refreshed preventions strategy required, building on the additional understanding and ways of working experienced throughout the pandemic.</p> <p>3b) Workforce – continues to be hugely challenging within Adult Social Services and in the wider care market. On-going recruitment campaign to sustain levels of front line social workers and</p>										

Progress update

occupational therapy staff. Joint European funded programme with Suffolk to support workforce in the wider care market

3c) Better Care Fund targeted towards supporting people to stay independent, promoting and enabling closer integration and collaboration across health and social care. Better Care Fund currently under review to reflect closer joint aims and objectives between health and social care

4) Close joint working with NHS, through the STP and interim Integrated Care System, to shape and influence future integration of health and social care

5) White Paper on Health and Social Care integration published in February 2021. Next steps on reform of funding for social care anticipated as part of the spending review in Autumn

6) Collaboration with children's services to develop a preparing for adult life service to strengthen transition experience for young people, and to improve service and budget planning.

Risk Number	RM024		Date of update		25 May 2021					
Risk Name	Failure to construct and deliver the Great Yarmouth 3rd River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction to be completed early 2023)									
Portfolio lead	Cllr. Martin Wilby		Risk Owner		Tom McCabe					
Risk Description			Date entered on risk register		14 June 2019					
<p>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. Overall risk treatment: Treat, with a focus on maintaining or reducing project costs and timescales.</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
2	4	8	2	4	8	2	3	6	Jan-23	Amber
Tasks to mitigate the risk										
<p>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:</p> <ol style="list-style-type: none"> 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. 										
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 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. 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 early 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	RM026		Date of update		26 May 2021					
Risk Name	Legal challenge to procurement exercise									
Portfolio lead	Cllr. Andrew Jamieson			Risk Owner	Simon George					
Risk Description			Date entered on risk register		04 June 2019					
That alleged breach of procurement law may result in a court challenge to a procurement exercise that could lead to delay, legal costs, loss of savings, reputational damage and potentially significant compensation 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	Dec-21	Green
Tasks to mitigate the risk										
<p>Review processes and practice in light of recent caselaw, in particular Amey Highways Ltd v West Sussex County Council [2019] EWHC 1291 (TCC) and Lancashire Care NHS Foundation Trust & Anor v Lancashire County Council [2018] EWHC 200 (TCC).</p> <ol style="list-style-type: none"> 1) At team meeting w/c 10 June 2019, remind procurement staff of need to escalate any proposal to run a procurement exercise in an unreasonably short timescale 2) Take pipeline to corporate board every six months and to directorate management teams quarterly to minimise risk of rushed procurement exercises. 3) Seek corporate board sign-off for new approach with consistently adequate timelines, fewer evaluators and greater control over choice of evaluator. 4) Review scale of procurement exercises, avoid unnecessarily large exercises that increase risk and complexity and the scale of any damages claim. 5) Make incremental change to instructions to evaluators and approach to scoring and documenting rationale, and test on tender NCCT41801 in w/c 3 June 2019. 6) Review standard scoring grid and test 'offline' on tender NCCT41830 w/c 10 June 2019 7) Review template provisional award letter w/c 17 June 8) Develop standard report to decision-maker w/c 17 June 9) Make more significant changes to instructions to evaluators and pilot new approach on a future tender. 10) Pilot new scoring grid in a future tender 11) Institute formal annual review of sourcing processes in light of developments in case law. Review each December; add to senior staff objectives. <p>Additional tasks identified February 2020:</p> <ol style="list-style-type: none"> 12) Update HotDocs to include definitive versions of new templates - by 31 March 2020 13) Formal sign-off of updated process by Nplaw- by 31 March 2020 14) Further formal training for procurement officers - by 30 April 2020 										
Progress update										

Progress update

- 1) Reminder given at team meeting - complete
- 2) Pipeline report frequency now quarterly. Pipeline being discussed with EDs or senior commissioners before each board - complete
- 3) Corporate board has signed off the new approach - complete
- 4) Ongoing as need to consider each procurement on a case by case basis.
- 5) Evaluator guidance was updated immediately. More significant changes have also now been implemented - see 9. Complete.
- 6) Scoring grid was updated as planned. Complete.
- 7) Template provisional award letter has been reviewed and updated. Complete
- 8) Existing reports have been reviewed and new report is being developed. Complete.
- 9) Evaluator guidance updated and in use as standard. Feedback from evaluators is positive. A new mechanism for capturing feedback on tenders is now in use after extensive piloting.
- 10) Scoring grid has now been updated and is in use as standard. - Complete
- 11) Added to senior staff objectives. Reviewed January 2020; no new issues identified beyond those in this risk 26
- 12) HotDocs templates have been updated. Complete.
- 14) All procurement staff in Sourcing have been trained in the new process and are adhering to it. Complete.

Additional task 13 was paused in the wake of managing the COVID-19 response. However, the Government's Procurement Green Paper is proposing a number of changes to the Public Contract Regulations, which would affect the process. Any changes are likely to be implemented in late 2021 and therefore this task will be put on hold until the impact on the process is understood.

Risk Number	RM027		Date of update		03 June 2021					
Risk Name	Risk of failure of new Human Resources and Finance system implementation (myOracle)									
Portfolio lead	Cllr. Tom FitzPatrick			Risk Owner	Simon George					
Risk Description			Date entered on risk register		16 August 2019					
Risk that there is a significant impact to HR and Finance services through potential lack of delivery of the new HR & finance system. 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	2	2	4	Sep-21	Green
Tasks to mitigate the risk										
<p>1) Strong subject expert engagement in the system configuration to ensure that myOracle meets the needs of the organisation</p> <p>2) Rigorous testing of the system and data validation prior to go-live.</p> <p>3) Strong business change plans and establishment of a wide network of business representatives to ensure that the business is ready for myOracle and that there is good adoption of the system.</p> <p>4) Robust governance through operational boards and Programme Steering Committee and sponsorship by Exec Director Finance and Commercial Services. Regular review of risks and escalation where necessary and management of contractual milestones within the steering committee. Sign off on contractual changes by the Cabinet Member and Leader where required.</p> <p>5) Member oversight of the programme through Corporate Select Committee.</p>										
Progress update										
<p>1)The myOracle programme is currently on track and in the implementation phase. We are working with subject matter experts on the final configuration and systems integration testing has commenced.</p> <p>2)Ensuring continuity of business over the transition to the new system will be critical and is being managed by Systems Integration Testing taking place in June and Validation testing taking place in August. In addition to this there will be a 3-month parallel pay run prior to go-live to ensure that the new system is ready to take over the pay runs.</p> <p>3)We are working with Socitm Advisory as our business change partner on the programme. Socitm bring significant local authority expertise and experience in adopting Oracle cloud and supporting business adoption. We have established a myOracle Business Readiness Implementation Group (BRIG) with senior representation from across NCC and are working with them to design the communications, training and readiness plans to take us through go-live and embedding the system. The myOracle intranet site was launched on 1 June and we also have over 150 myOracle Champions from departments across the authority who we will work with to provide communications and support to their departments over the coming months.</p> <p>4)There is on-going visibility of the plans via Programme Board and Programme Steering Committee. The award of integration services for Enterprise Performance Management module (EPM) was approved by the Leader and Cabinet Member for Innovation, Transformation and Performance in May 2021 and detailed plans are being developed for a November go-live of this module, which will replace Budget Manager.</p> <p>5)Regular reports have been provided to Corporate Select Committee and the next report will go to the 12th July Committee meeting.</p>										

Risk Number	RM028		Date of update	17 May 2021						
Risk Name	Risk of any failure to monitor and manage health and safety standards of third party providers of services									
Portfolio lead	Cllr. Andrew Proctor			Risk Owner	Sarah Shirtcliff					
Risk Description				Date entered on risk register	29 July 2019					
The potential for the Council not proactively monitoring and managing 3rd party providers to ensure the standards of health and safety. There is a risk of prosecution for health and safety failings, reputational damage and a failure to deliver services. 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	5	20	3	5	15	2	5	10	Mar-22	Green
Tasks to mitigate the risk										
<p>1) Departments to investigate specific concerns raised by the surveys</p> <p>2) Departments to review their approach to contract management and implement sustainable improvements in monitoring with the support of Health and Safety Team (HSW)</p>										
Progress update										
<p>1) Departments have reviewed their approach to contract management and integrated responsibilities into roles in revised structures.</p> <p>2) Monitoring is now actively in place across all services. Monitoring of service providers has significantly improved.</p> <p>3) Throughout 2020/21 the Health and Safety Team have been focussing efforts on carrying out risk assessments ahead of the re-opening of sites for service delivery. This work has included supporting departments to seek assurance on 3rd party providers approach to being COVID-Secure as their services re-open/scale up.</p> <p>Prospects of meeting target was changed to amber to reflect identification of some areas of further work needed following investigation by HSE. This was reported on in the annual report to support all services learning from the HSE findings. This has now been reverted to green as a result of action taken by the specific service involved in the HSE intervention.</p>										

Risk Number	RM029		Date of update		19 May 2021					
Risk Name	NCC may not have the employees (or a sufficient number of employees) with critical skills that will be required for the organisation to operate effectively in the next 2-5 years and longer term									
Portfolio lead	Cllr. Andrew Proctor			Risk Owner	Sarah Shirtcliff					
Risk Description				Date entered on risk register	29 July 2019					
<p>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</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
3	5	15	4	5	20	2	5	10	Mar-22	Amber
Tasks to mitigate the risk										
<ul style="list-style-type: none"> • Identification of what new critical skills are required in services – using new 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 <p>Creation of career families and professional communities, providing visible and clear career paths for colleagues.</p> <p>Adding a strengths based approach to performance development conversations and development plans - help people to know what their strengths are and the range of jobs where they could use those strengths</p> <p>Recruit for strengths not just qualifications and skills and experience</p> <ul style="list-style-type: none"> • 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 employment packages • 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 										

Progress update

1. Working with education providers to ensure subjects meet future workforce requirements – no further update
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.
3. Work on how to use the full Talent module in Oracle will commence during optimisation year post November 2021
4. An email survey relating to digital skills has been created and piloted, enabling individuals to get instant access to information and learning resources relating to their own particular digital skills competence. This will be rolled out during 2021. Draft mandatory training policy has been socialised with DMTs and is ready to be signed off by the NDA board
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.

Current likelihood score increased to 4 and prospects of meeting target to amber in light of challenges for front line workers and early sight of survey reporting workforce pressures.

Risk Number	RM030		Date of update		26 May 2021					
Risk Name	Non-realisation of Children's Services Transformation change and expected benefits									
Portfolio lead	Cllr. John Fisher			Risk Owner Sara Tough						
Risk Description			Date entered on risk register		08 August 2019					
There is a 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										
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	5	20	3	5	15	1	5	5	Mar-23	Amber
Tasks to mitigate the risk										
<p>1) A demand management and prevention strategy and associated business cases have been completed and a 5 year transformation programme has been established covering social care and education</p> <p>2) Significant investment has been provided to delivery transformation including £12-15 million for demand management and prevention in social care and £120m for capital investment in Specialist Resource Bases and Specialist Schools</p> <p>3) A single senior transformation lead, operational business leads and a transformation team have been appointed / aligned to direct, oversee and manage the change</p> <p>4) Scrutiny structures are in place through the Norfolk Futures governance processes to track and monitor the trajectories of the programme benefits, risks and issues</p> <p>5) Services from corporate departments are aligned to provide support to transformation change e.g. HR, Comms, IT, Finance etc</p> <p>6) Interdependencies with other enabling transformation programmes e.g. smarter working will be aligned to help maximise realisation of benefits.</p>										
Progress update										

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 24 months of initial 5 year programme, therefore scored 3.

May 2021 update:

- The investment in transformation has proved successful during the last 24 months- have met existing targets for specific schemes albeit in the context of overall dept overspends
- A balanced budget outturn position for 2020/21 was achieved, including a contribution to a Children's Services Business Risk Resilience reserve due to one-off Covid-related underspends
- Overall programme has broken even and delivering net cash benefits – growing in the coming years
- Core indicator of number of Children in Care is broadly stable
- Following first COVID lockdown, resulted in a 6-month delay to existing schemes – so potential shortfall on planned savings as well as delivering new targets are built into forecast for 2021/22
- Still working with considerable uncertainty in terms of demand levels and other factors so will need to keep all modelling under-review
- Transformation programme is shifting focus more to delivering system-wide early help and prevention and responding to the enduring impacts of the pandemic
- Focus on COVID response has reduced, main focuses are balancing transformation with a focus on Ofsted – delivering SEN Written Statement of Action, continuing our social care practice programme and readiness for 2-week social care inspection

Risk Number	RM031		Date of update		26 May 2021					
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 the NCC Funded Children's Services budget results in a significant overspend that will need to be funded from other parts of Norfolk County Council										
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	4	5	20	3	5	15	Mar-22	Amber
Tasks to mitigate the risk										
<p>Improved monitoring systems identified and revised CSLT tier 2, 3 & 4 structure proposed.</p> <p>Transformation programme that is targeting 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. In turn, this will enable the most expensive areas of NCC funded spend (placement costs and staffing costs) to be well controlled and to remain within budget. Cohorts will be regularly analysed to ensure that all are targeted appropriately.</p> <p>The Functioning Family Therapy service has been launched. Family Group Conferencing is being reintroduced.</p> <p>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.</p>										
Progress update										
<p>Scoring rationale - Risk impact relates to financial impact of over £3m, therefore scored 5. Risk likelihood has reduced from "almost certain" to probable, due to department currently projecting a balanced budget outturn position for 2020/21, but balanced against considerable financial pressures for 2021/22 and uncertainties due to COVID 19. Risk "Target date" updated to the end of the next financial year</p> <p>May 2021 update:</p> <p>Improved monitoring systems in place and becoming embedded: Assistant Director financial monitoring meetings, LAC tracker, Permanency Planning Meetings, DCS Quarterly Performance meetings, weekly "Time for Outstanding Outcomes" Meetings and Transformation and Benefits Realisation Board chaired by Cabinet Member CS and attended by Members and CSLT.</p> <p>Multiple Transformation projects under-way and delivered, for example the new Social Care delivery model, Fostering Recruitment Transformation and use of an enhanced fostering model have been delivered. Our remodelled LAC and LC Service went live on schedule in April 2021 as well as our</p>										

Progress update

Targeted Youth Support Service in February 2021. Norfolk has been successful in being awarded DfE funding to introduce the No Wrong Door model in partnership N. Yorks, which will be called New Roads. This is a proven model at working with adolescents differently improving outcomes and reducing costs. We remain on track for a go live date of June 2021.

Children Looked After numbers have now been in steady sustained decline for a since January 2019, which has resulted in reduced overall placement costs. The rate of reduction has slowed during COVID, and is broadly stable. Where numbers have reduced, overall unit costs have not decreased. A number of existing transformation projects are in train to support these young people more effectively and reduce unit costs over the medium term.

Over the course of this year and beyond a core focus of our transformation will be to reshape the system of preventative and early help services in Norfolk, further reducing demand for specialist services.

Risk Number	RM032a		Date of update		28 May 2021					
Risk Name	Effect of COVID-19 on NCC business continuity (staff, service users, and service delivery)									
Portfolio lead	Cllr. Andrew Proctor			Risk Owner	Tom McCabe					
Risk Description			Date entered on risk register		27 February 2020					
<p>There is a risk of disruption to service delivery if there are widespread cases of COVID-19 in Norfolk affecting the health, safety and wellbeing of Norfolk County Council and contracted partner employees. This could impact on Norfolk County Council financially and reputationally. Cause: Not effectively containing COVID-19. Event: Widespread positive cases of COVID-19 across Norfolk, affecting NCC staff, partners, and service users. Effect: There are potential effects on staff, partner organisations, and service user's health, safety and wellbeing if there is widespread exposure to COVID-19 within Norfolk. Overall risk treatment: Treat</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
2	5	10	4	4	16	3	2	6	30.09.2021	Green
Tasks to mitigate the risk										
<p>1) Coordination of communications to make staff, service users, and contracted third parties aware of the latest guidance from Public Health England to help to contain cases of COVID-19, provide reassurance of the Council's response to COVID-19, contribute to the support structure, and demonstrate leadership. Action owner: James Dunne</p> <p>2) Ensuring staff continue to be provided with information on safe working, particularly for those working in the community. To continue to ensure that measures to support mental health are available. Action owner: Derryth Wright</p> <p>3) Modelling to be carried out to give best estimates on the prevalence of COVID-19 in Norfolk. Action Owner: Tim Winters</p> <p>4) Adaptation of Business Continuity arrangements to meet service demands. Business Continuity Plan owners will need to review BCP's with their management teams to ensure that they reflect changes since COVID-19 which could affect current plans around such events as a loss of ICT, loss of a key system, shortage of key personnel, recognising other current priorities of services. Action Owner: Heads of Service</p> <p>5) Assessment of financial impact. Action Owner: Harvey Bullen</p> <p>6) Continued monitoring of risk mitigation progress for recovery risks. Action Owner: Programme Board and Risk Management Officer</p> <p>7) Identifying nuanced implications of pupils back at school and working to ensure that all aspects of this are managed. Action Owner: Chris Snudden</p> <p>8) To ensure that children with disabilities (CWD) and their families are able to access short breaks to prevent family breakdown or potential harm to vulnerable children.</p>										
Progress update										

Progress update

- 1) Communications continue to go out to all staff advising on how to seek further guidance issued by Public Health England. External communications to third parties are reviewed to ensure that external communications as well as internal communications are consistent. Communications are providing reassurance of the Council's response to COVID-19, contributing to the support structure, and demonstrating leadership. Members are receiving a Members Briefing document. In line with cases rising nationally and a subsequent second national lockdown, communications have been launched to further help to stop the spread of COVID-19 in Norfolk, encouraging people to stay at home as much as possible to protect ourselves, protect others and protect Norfolk.
- 2) Office-based staff continue to work at home wherever possible. All staff continue to receive guidance on safe working, including the use of personal protective equipment provided for staff delivering face to face services. The Health and Safety team continue to issue regular communications and provide wellbeing support to ensure people have access to any mental health support they may need including Norfolk Support Line, Mental Health First Aid Champions, wellbeing officers, and online e-Learning on personal resilience, all of which are available to staff. Support channels continue to be widely communicated to staff. This is important to help to mitigate the risk of staff feeling isolated from prolonged home working. Significant changes re. PPE have been incorporated in the guidance. The wellbeing staff survey provides greater insight to the wellbeing of the workforce during COVID-19. The survey is showing an increased level of pressure being felt by staff in the teams that have undertaken it, but the survey is designed to support the development of solutions by the team, for the team. This will help teams to manage their wellbeing directly. The provision of additional well-being support is also being launched through a wider winter offer. This includes adult learning sessions following the 5 ways to wellbeing model.
- 3) Modelling has been carried out to provide further understanding of the numbers of expected cases in Norfolk. We have also modelled to align numbers of resources to how many we think we need e.g. for social care discharges, community food distribution, and projected mortality rates. The COVID-19 epidemic curve forecasts produced at a national and regional level for mortality, hospital admissions and infection prevalence are being applied to our local population as we have done previously. This gives us scenarios around which to estimate system capacity required for testing, hospital admissions, hospital discharges and mortality. The Head of Public Health Information is reviewing the implications for Norfolk of the potential national scenarios as and when they are published.
- 4) Service delivery is being modified to adapt to the everchanging demands on services, including through online channels during lockdown for those services where it is appropriate to do so. Significant work on winter planning has been carried out, including putting in place contingency plans with key providers. In relation to care homes, the Health Protection Care Provider delivery group continues to support collaboration between NCC and Norfolk & Waveney

Progress update

CCG and has been developed to both prevent new outbreaks in care homes and support those currently experiencing an outbreak. The Care Provider Incident Room (managed by N&W CCG) is the single point of contact for care homes to access support and advice and to report outbreaks. The Outbreak Management Team (managed by NCC) includes a Multi-disciplinary team with the ASSD Quality team working with PH consultants to manage outbreaks and to offer wrap around support to care homes. Enhanced arrangements continue to be in place for governance & oversight, infection control, testing, PPE & clinical equipment, workforce support and financial support. Business Continuity Plans across the Council continue to be reviewed to ensure they incorporate changes to service delivery. Consideration is being given to looking at how to gauge any potential capacity issues. Our critical services list is being reviewed, so we are clear about where we need to put our efforts in the event of a reduction in capacity. Key areas have recruited additional resource, including Public Health and Resilience. We continue to work as part of the Norfolk Resilience Forum (NRF), so that capacity across all agencies can be assessed (this is reviewed regularly as part of the NRF dashboard). A separate risk (RM14447) is being managed at departmental level (CES) on concurrent major disruptions to business.

5) There is financial monitoring of in-year cost to address the impact of COVID-19 within departments, with monitoring of 2020-21 spend reported to Cabinet on a monthly basis. Financial forecasting is taking place to further understand where there are likely to be areas of greater financial challenges as a result of COVID-19 beyond 2020-21. The Strategic and Financial Planning report was taken to Cabinet in October highlighting the latest assessment of significant areas of risk and uncertainty around emerging budget pressures for the 2021-22 Budget and Medium Term Financial Strategy. This paper also asked Members to consider and agree proposed savings. Public consultation will be undertaken on the 2021-22 Budget and saving proposals ahead of the budget setting meeting of Full Council in February 2021. The October paper also proposed next steps in the Budget planning process for 2021-22, including the actions required to develop further saving proposals in light of the significant uncertainty about the overall financial position. Monitoring reports will be taken to Cabinet in 2021-22.

6) Ongoing monitoring of risk mitigation progress on a weekly review through Recovery Group, with support from the Risk Management Officer.

7) Staff with children continue to show great flexibility around family needs. The Health and Safety team are working with Children's Services (CS) on the general monitoring programme, with Children's Services identifying which schools require additional support. Health and Safety are providing feedback to CS with common themes needing to be addressed.

8) CWD short breaks is one of the prioritised areas under Theme G, with additional support provided in response to growing evidence of fatigue and strain amongst families.

NB: Options are currently being developed for the re-scoping of this risk. This will be carried out in conjunction with the Resilience Policy and Framework refresh.

Scrutiny Options for Managing Corporate Risks

Reflecting good risk management practice, there are some helpful prompts that can help scrutinise risk, and guide future actions. These are set out below.

Suggested prompts for risk management improvement discussion

In reviewing the Council's corporate risks there are a number of risk management improvement questions that can be worked through to aid the discussion, as below:

1. What progress with risk mitigation is predicted?
2. How can progress with risk mitigation be improved?
3. When will progress be back on track?
4. What can we learn for the future?

In doing so, committee members are asked to consider the actions that have been identified by the risk owner and reviewer.

Risk Management improvement – potential actions

A standard list of suggested actions have been developed. This provides members with options for next steps where reported risk management scores or progress require follow-up and additional work.

All actions, whether from this list or not, will be followed up and reported back to the committee.

Potential follow-up actions

	Action	Description
1	Approve actions	Approve recommended actions identified in the exception reporting and set a date for reporting back to the committee
2	Identify alternative/additional actions	Identify alternative/additional actions to those recommended in the exception reporting and set a date for reporting back to the committee
3	Refer to Departmental Management Team (DMT)	DMT to work through the risk management issues identified at the committee meeting and develop an action plan for improvement and report back to the committee
4	Refer to committee task and finish group	Member-led task and finish group to work through the risk management issues identified at the committee meeting and develop an action plan for improvement and report back to committee
5	Refer to Corporate Board	Identify key actions for risk management improvement and refer to Corporate Board for action
6	Refer to Cabinet	Identify key actions for risk management improvement that have whole Council 'Corporate risk' implications and refer them to Cabinet for action.

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.

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.

Risk Management Health Check Summary

In early 2021, a routine independent health check of the Council’s Risk Management Function was sought and commissioned, to be carried out by the Council’s insurance contractor and funded from within the capacity of the existing insurance contract, at no additional cost to the Council.

Stages of the Health Check

Between March and May 2021, the health check was carried out, comprised of three different stages as follows;

- 1) A desktop review of key supporting documents
- 2) Meetings with risk management stakeholders to understand and evaluate the current approach
- 3) Delivery of a report providing insight into the effectiveness of risk management and providing recommendations for further improvements

Results

The health check assessed six key areas on a scale of 1 to 5 (5 being the optimal rating) with the results as follows;

Area of Scrutiny	What it determined	Current Level Identified
Leadership & Management	Whether senior management support and promote risk management.	Level 4 - Embedded
Strategy & Policy	Whether clear strategies and policies exist for risk management.	Level 4 - Embedded
Processes & Tools	Whether the organisation has effective risk processes to support the business.	Level 4 - Embedded
Risk Handling & Assurance	Whether risks are handled well and the organisation has assurance that risk management is delivering successful outcomes and supporting creative risk-taking.	Level 4 - Embedded
People & Training	Whether people are equipped and supported to manage risk well.	Level 3 - Working
Partnerships, Shared Risks & Projects	Whether there are effective arrangement for managing risks with partners and within projects	Level 3 - Working

Recommendations

Following the undertaking of stages one and two of the review, recommendations were identified and included as part of stage 3 for the report. A total of thirty recommendations were identified across the six areas assessed, ranging from very minor stylistic points on risk presentation, to more involved recommendations to be implemented over a period of time to further strengthen risk management. As recommendations are implemented, progress will be noted in future risk management reports to both the Cabinet and Audit Committee.

Audit Committee

Item No.10

Report title:	Local Audit and Accountability Act 2014 – External Auditor Appointments
Date of meeting:	29th July 2021
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
Strategic impact	
<p>There is a statutory requirement for the Council's Statement of Accounts to be independently audited. The Local Audit and Accountability Act 2014 (the Act) brought changes to the appointment process for external auditors, referred to in the Act as a 'Local Auditor'.</p> <p>The opt in for the PSAA framework and the contract for the present external auditors, Ernst & Young, are due to expire after the 2021-22 accounts audit. The Council must, by 31 December 2022, have appointed, or re-appointed, a local auditor to be in place by April 2023, to undertake the audit of the Council's financial statements for 2022/23 onwards.</p> <p>The Act and the regulations provide options for how an external auditor is procured, some of which would need significant preparation and changes to the Council's Constitution. The Committee, as those charged with governance, are asked to agree the preferred option on economic and efficiency criterion. The Committee last considered the options at its meeting on 22 September 2016. The Committee resolved to; 'commend to Full Council to direct the Executive Director of Finance and Commercial Services to formally 'opt in' with the Government's designated appointing person (in this case PSAA), as allowed under Section 17 of the Act, as the preferred option offering the greatest potential economic and efficiency savings'.</p> <p>This report makes the case that the Council should continue to opt-in to the PSAA framework.</p>	

Executive summary

The Local Audit and Accountability Act 2014 sets out the arrangements for how External Auditors could be appointed.

The Council has four options to procure its External Audit service for the audit of financial statements for 2022/23 onwards (2.4). Prior to 31 December 2022, it should either:

- Direct the Executive Director of Finance and Commercial Services to contract with a 'specified person' (in this case Public Sector Audit Appointments Ltd (PSAA)) as

allowed under Part 3 Section 17 of the Act (explained at 2.4.1) **the preferred option**; or

- Set up an Auditor Panel (explained at 2.4.2) by:
 - Recommending to Cabinet to request the Constitution Advisory Group to amend the Constitution to establish an Auditor Panel in compliance with Section 9 and Schedule 4 (part 1.(1) a) of the 2014 Act and relevant regulations
 - have appointed a suitable panel; and
 - undertaken or participated in, a procurement exercise to appoint a local auditor, to be in place by 1 April 2023
- Set up an Auditor Panel (as above) with the intention to host a partnership, with other local authorities, as allowed for, per Schedule 4 part (1. (1) b) of the Act 2014 and relevant regulations (explained at part 2.5); or
- Join an appropriate Auditor Panel, in partnership, as allowed for, per Schedule 4 part (1. (1) b) of the Act 2014 and relevant regulations (explained at part 2.5);

The wider context of External Audit provision for Council owned entities is set out in this report for reference (explained at part 2.17).

The Audit Committee, as those charged with governance, are recommended to:

Consider:

- **The requirements and timescales set out in the Act (explained at 2.3 and 2.4)**
- **The advantages and disadvantages of the available options for procuring an External Auditor (Local Auditor) as required by the Act (explained in Appendix B) and with regard to securing value for money; and**

Agree:

- **To commend to Full Council to direct the Executive Director of Finance and Commercial Services to formally ‘opt in’ with the Government’s designated appointing person (in this case PSAA), as allowed under Section 17 of the Act, as the preferred option offering the greatest potential economic and efficiency savings.**

1. Proposal (or options)

1.1 The options are set out in the Executive Summary above

1.2 In producing this paper, Democratic Services have been consulted.

2. Evidence

2.1 The present management of the External Auditors is the responsibility of Public Sector Audit Appointments Ltd (PSAA). PSAA have published a [prospectus and frequently asked questions](#) (please click underlined text to link to the web page).

2.2 The Local Audit and Accountability Act 2014 (The Act) states that:

2.2.1 The Secretary of State can appoint an 'Appointing Person', who will have the ability to appoint an external auditor to a relevant authority, at Part 3 Section 17 of the Act 2014. The Government announced in July 2016 that PSAA has been specified by the Government to become the body which is authorised to make future audit appointments on behalf of principal local authorities. PSAA were the sector led body for the appointment of auditors. The first appointments made under these arrangements commenced in relation to the financial year 2018-19. The Council can opt in to this arrangement, rather than undergo a procurement exercise itself. This preferred option would offer the maximum economies of scale, potentially giving significant economic and efficiency savings for the Council

2.2.2 Should the Council not wish to opt in to use PSAA to secure a Local Auditor, Part 3 s8(1) and Schedule 4 of the Act outline the procedure for appointing an external auditor, which the Council must follow, that the Council "...must consult and take into account the advice of its auditor panel on the selection and appointment of a local auditor". CIPFA have published a [Guide to Auditor Panels](#) . Key points to note are that:

- The requirement to have an Audit Panel will require the Council to amend its Constitution to allow for the creation of such an Audit Panel. Changes to the Constitution are enabled through a recommendation to the Cabinet on to the Constitution Advisory Group which makes recommendations to full Council
- Such an Audit Panel must consist of a majority of independent members, or wholly of independent members, including the Chair. An existing committee, or sub-committee, or panel, can be appointed to act as an audit panel if they comply with the above requirements of the Act.

2.4.2 A new Local Auditor contract, must be in place by 1 April 2023. In accordance with Part 3 s7(1) of the Act, the appointment must be finalised by 31 December 2022. The appointment can be for between one and five

years, unless the Secretary of State directs otherwise, and the auditor must be eligible for appointment and must not be prohibited from doing so by law.

- 2.5 An Audit Panel established under the Act must either be appointed by the Council or by the Council and one or more other relevant authorities, as per Schedule 4 (part 1 (1) b). The Council can use another Authority's Panel. The Council could therefore either choose to host or join an appropriate partner or group of partners who shared a desire to work together to operate a 'shared Auditor Panel'. Such a shared panel may secure some economies of scale and administration for the participants.
- 2.6 Exploratory discussions with local Finance Leads have established a preference for the PSAA route. The Council has not been approached regarding developing any partnership Audit Panel and no preparation has been made to lead/host such a panel to date, therefore a partnership audit panel is not a preferred option.
- 2.7 The NAO have published [a leaflet](#) explaining their role in relation to Local Auditors which sets out about maintaining standards, in particular their Code of Audit Practice for Local Auditor's work.
- 2.8 The implementation options including the, who, what, why and when action needs to happen are set out in **Appendix A**.

PSAA (the preferred option)

- 2.9 A collective approach would offer the best economies of scale, competitive fees and be the most efficient to set up and maintain. The PSAA have published a prospectus (see 2.2.) which sets out their plans to further develop the service. To implement the PSAA option the Committee, as those charged with governance on behalf of the Council, would need to commend the Full Council to direct the Executive Director of Finance and Commercial Services to formally 'opt in' to a contract with PSAA.

PSAA would then:

- Seek confirmation of the acceptance of their invitation to become an opted-in authority for the purposes of the appointment of our auditor under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015
- request details from the Council to assist them with securing audit contractors
- procure the audit providers on a framework
- publish a scale of fees
- consult on the appointment of the Council's local auditor
- make the appointment
- manage this appointment

- charge a scale fee and administration fee

Audit Panel

2.10 Establishing an Audit Panel would not offer significant economies of scale for potential auditors, so fee rates could be higher. Establishing and maintaining an Audit Panel would incur set up and ongoing costs, including additional democratic support and allowances. To implement the Audit Panel option the Committee, as those charged with governance on behalf of the Council, would need to direct the Executive Director of Finance and Commercial Services to formally request the Cabinet to request the Constitution Advisory Group to implement an auditor panel in order to comply with Schedule 4 of the Act. This would include consideration of the options for creating Auditor panels and the issues surrounding the constitution of those panels, described below in summary:

- The Auditor Panel could be appointed by the County Council, using one of the following options:
 - A panel appointed as an auditor panel by the County Council, or
 - A panel appointed as an auditor panel by the County Council and one or more other relevant authorities (See below) , or
 - An auditor panel appointed by a relevant authority other than the County Council, or
 - A committee or sub-committee of the County Council.

NB:- CIPFA (Chartered Institute of Public Finance and Accountancy) has issued guidance on auditor panels, including an analysis of the possible advantages and disadvantages of these options.

- Whichever audit panel option is selected, the Audit Panel must:
 - Consist of a majority of independent members, or wholly of independent members, and
 - Be chaired by an independent member.
- A member of the auditor panel is “independent” if the panel member:
 - Has not been a member or officer of the Council within the past 5 years, and
 - Has not been an officer or employee of an entity connected with the Council within the past 5 years, and
 - Is not a relative or close friend of a member or officer of the Council, or an officer or employee of an entity connected with the Council.

2.11 The Council’s existing Audit Committee has no independent members and therefore in accordance with schedule 4 of the Act, cannot presently act in the

capacity of an auditor panel. However, the Audit Committee may wish to consider what role is appropriate for them in relation to the governance of:

- The external audit procurement process, and
- The subsequent management / oversight of the external audit contract.

Hosting/Joining a partnership Audit Panel

2.12 The Council has not been approached regarding developing any partnership Audit Panel and no preparation has been made to lead/host such a panel to date, therefore this is not a preferred option. The benefits and dis-benefits of this option are described in **Appendix B**.

Other Considerations

2.13 The Council's External Auditor will need to work with the chosen external auditors for the Council's wholly owned entities that are part of the Council's Consolidated Accounts. Consideration should be given to the audit appointments across the group (e.g. interactions with the Norse Group and Independence Matters Ltd).

3. Financial Implications

- 3.1 The specific costs of potential options are not available from PSAA and have not been quantified at this stage but will be considered in the 2022-23 budget setting process. For indicative purposes the current fee level for the Audit of the Council's Statement of Accounts is £98,361.
- 3.2 If the PSAA option were to be agreed then a scale fee and management fee would be charged. It is not anticipated that any management fee will exceed the potential reductions in audit fees from providers due to the economies of scale.
- 3.3 If the Audit Panel option were agreed the Council must provide for reasonable expenses and allowances incurred by the panel in exercise of their duties. This may be shared if a partnership panel were established.

4. Issues, risks and innovation

4.1 There are legal implications for failure to appoint a local auditor in compliance with the Local Audit and Accountability Act 2014; most notably that the Secretary of State would need to be informed and who could then direct an appointment.

4.2 There are no implications with respect to:

- Other resource implications (staff, property)
- Risks
- Equality
- Human rights implications
- Environmental implications
- Health and safety issues

5. Background

5.1 The Committee received a [presentation](#) at pages 10 and 11 (please click on the underlined text to link to the minutes) from an LGA representative at its meeting in June 2016 reproduced at Appendix A of those minutes.

6. Officer Contact

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

Officer Name: Adrian Thompson - Chief Internal Auditor

Tel No: 01603 303395

Email address: adrian.thompson@norfolk.gov.uk



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.

Over the next 12 months to comply with the act the County Council must implement one of the following two options:

What needs to be done:	Why it needs to be done:	How does it need to be done:	When does it need to be done:	Who needs to lead on this:
<p>If PSAA (the preferred) option: The Full Council to direct the Executive Director of Finance and Commercial Services to formally 'opt in' to the PSAA service.</p>	<p>In order to fulfil Part 3 Section 17 of the Act.</p>	<p>Resolution of the Audit Committee</p> <p>Resolution of the Council</p>	<p>July 2021</p> <p>Before January 2022</p>	<p>Executive Director of Finance and Commercial Services</p>
<p>If Audit Panel Option: Amendment to the Council's constitution to allow for the creation of an auditor panel</p>	<p>In order to fulfil the requirements of Part 3 s8(1) of the Local Audit and Accountability Act 2014</p>	<p>Audit Committee Chairman to make request to Cabinet Chairman to initiate.</p>	<p>Constitution to be amended by 30 December 2021</p>	<p>Director of Governance</p>
<p>Undertake a recruitment process to appoint individuals to the auditor panel, this may also include giving the panel members the</p>		<p>Audit Committee Chairman to request Democratic Services to undertake a recruitment exercise to produce a shortlist of appropriate candidates.</p>	<p>Audit Panel to be in place by 30 June 2022</p>	<p>Recruitment & Appointment: Audit Committee / Director of Governance</p> <p>Training: Norfolk Audit Services</p>

What needs to be done:	Why it needs to be done:	How does it need to be done:	When does it need to be done:	Who needs to lead on this:
necessary training to fulfil their role.		(To be decided, the role the Audit Committee will have with regards to the interview and appointment of the participants of the Independent Auditor Panel)		
Decide upon appropriate procurement option; carry out, or be a party to, a procurement exercise for an external auditor	In order to fulfil the requirements of Part 3 s7(1) of the Local Audit and Accountability Act 2014	Advice to be sought from Director of Procurement on the proposed specific procurement route to take, timescales, specification, etc.	To be <u>completed</u> by 31 October 2022	Executive Director of Finance and Commercial Services and Director of Procurement
Council Receive advice / a recommendation back from the audit panel on the preferred external audit provider	To comply with Part 3 s8(1) of the Local Audit and Accountability Act 2014	The Independent Auditor Panel to consider the results of the procurement exercise and make a recommendation to the full Council.	To have a preferred provider by 30 November 2022	Independent Audit Panel
Appoint an external audit provider	To comply with Part 3 s7(1) of the Local Audit and Accountability Act 2014		To have appointed an external audit provider by 31 December 2022	Full Council
Publicise the appointment, including the advice from the audit panel	To comply with Part 3 s8(2) of the Local Audit and Accountability Act 2014		Within 28 days of the appointment of the external auditor.	Director of Governance

Advantages and Disadvantages Analysis:

Option	Possible Advantage	Possible Disadvantage
Opt in to PSAA (preferred option)	<ul style="list-style-type: none"> • Maximum economies of scale for economic and efficiency benefits • Minimum administration • Scale of Fees approach • High standards of quality and maximum leverage on providers in case of disputes 	<ul style="list-style-type: none"> • Limited choice of external audit provider • Management fee will be levied by PSAA
Set up own separate and individual Audit Panel to oversee separate and individual procurement ¹	<ul style="list-style-type: none"> • Full ownership of the process. • Fully bespoke contract with the auditor. • Tendering process more based on local circumstances (within relevant procurement rules). 	<ul style="list-style-type: none"> • May experience difficulties in appointing majority independent panel members and independent panel chair as per the regulations. • Will need to ensure that panel members are suitably qualified to understand and participate in the panel's functions. • Will have to cover panel's expenses completely. • May not be able to procure at a lower cost, for example, depending on authority location, where there will be a risk of limited provider choice and a single authority contract may be less attractive to some providers. • Unlikely to achieve economies of scale or value for money.
Set up a panel jointly with another authority / authorities as part of a procurement exercise for joint contract covering more than one authority or multiple separate contracts ¹ .	<ul style="list-style-type: none"> • Less administration than a sole auditor panel. • Will be able to share the administration expenses. • May be easier to attract suitable panel members. <p>If procuring a joint audit contract:</p> <ul style="list-style-type: none"> • May still be relatively locally tailored process. • May be able to achieve some economies of scale. 	<p>If procuring a joint audit contract:</p> <ul style="list-style-type: none"> • May need to compromise on the arrangements or auditor contract. • May not end up with first choice of auditor, compared to an individual auditor panel. If a large group of authorities work together and decide to appoint one joint audit contract across all authorities, a joint panel may be more likely to

Option	Possible Advantage	Possible Disadvantage
	<p>If procuring separate audit contracts:</p> <ul style="list-style-type: none"> • An opportunity for fully bespoke contracts with the auditor if the group of authorities can agree. 	<p>advise appointment of an audit it considers suitable for all authorities taken together.</p> <ul style="list-style-type: none"> • Need to agree appointment of members across multiple authorities and set up an appropriate joint decision-making process • Limited economies of scale, so unlikely to achieve value for money
Use existing committee or sub-committee ¹	<ul style="list-style-type: none"> • Existing administrative structure in place. • Existing (sub) committee should already have a better basic understanding of the authority's objectives and requirements. 	<ul style="list-style-type: none"> • Need to appoint a new (sub) committee member/s and Chairman to comply with independence regulations.
Use another authority's panel ¹	<ul style="list-style-type: none"> • Will not have to set up an auditor panel. • Arguably most independent option for the authority using the host authority's panel. 	<ul style="list-style-type: none"> • The panel may not understand the specific needs of the authority. • May need to enter into a formal arrangement with the other authority. • May be difficult to find an authority willing to enter into such an arrangement. • May be more difficult to ensure adequate liaison with authority's own audit committee.

¹Source: CIPFA Guide to Auditor Panels December 2015

Audit Committee

Item No.11

Report title:	Monitoring Officer's Annual Report 2020/21
Date of meeting:	29 July 2021
Responsible Cabinet Member:	Cllr Proctor – Leader of the Council and Cabinet Member for Governance & Strategy
Responsible Director:	Director of Governance
Is this a key decision?	No

Executive Summary

The Monitoring Officer's Annual Report summarises the internal governance work carried out by the Monitoring Officer and Deputy Monitoring Officer in 2020/21 and provides assurance that the organisation's control environment, in the areas which are the responsibility of the Monitoring Officer, is adequate and effective.

The key messages in the Monitoring Officer's report include:

- that there have been no 'reportable incidents' during the period 2020/21;
- that the systems of internal control administered by the Monitoring Officer were adequate and effective during 2020/21 for the purposes of the latest regulations;
- There have been no findings of a breach of the Council's Code of Conduct, by the Standards Committee, in 2020/21

Actions required

To consider and agree the contents of the report and the key messages in the above Executive Summary and Appendix A section 2.1.

1. Background and Purpose

- 1.1. The Audit Committee considers matters of Governance in accordance with its terms of reference, which are part of the Council's Constitution. This annual report supports the assurance statements included in the draft Annual Governance Statement for 2020/21 (the "Annual Governance Statement").

2. Proposals

- 2.1. The proposal is shown at the Executive Summary above.

3. Impact of the Proposal

- 3.1. This report supports the Annual Governance Statement, which is required by

regulations.

4. Evidence and Reasons for Decision

4.1. The Monitoring Officer's Annual report appears at **Appendix A**.

5. Alternative Options

5.1. There are no alternative options.

6. Financial Implications

6.1. There are no specific financial implications to report.

7. Resource Implications

7.1. **Staff:**

None

7.2. **Property:**

None

7.3. **IT:**

None

8. Other Implications

8.1. **Legal Implications:**

None

8.2. **Human Rights implications**

None

8.3. **Equality Impact Assessment (EqIA) (this must be included)**

Not applicable

8.4. **Health and Safety implications** (where appropriate)

None

8.5. **Sustainability implications** (where appropriate)

None

8.6. **Any other implications**

None

9. Risk Implications/Assessment

9.1. Section 17 Crime and Disorder Act 1998

9.1.1 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 of its work and do all that it reasonably can to prevent crime and disorder in Norfolk.

9.1.2 The Monitoring Officer's work helps to deter crime, and/or make crime difficult, increasing the likelihood of detection and prosecution and thereby disincentivising crime.

10. Select Committee comments

10.1. None

11. Recommendation

11.1. Please see the Executive summary above.

Monitoring Officer's Annual Report 2020/21

Section Numbers	Contents
1	Introduction
2	Key messages
3	Results of the Monitoring Officer's work in 2020/21
4	Review of effectiveness of systems of Internal Audit
5	Governance Statement
6	Section 17 Crime and Disorder Act
7	Overall opinion on the adequacy and effectiveness of the Governance framework

1. Introduction

- 1.1 The Monitoring Officer's Annual Report summarises the more significant activities of the Monitoring Officer and Deputy Monitoring Officer in 2020/21 and comments on other current issues relevant to the Monitoring Officer's work for the County Council.
- 1.2 Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the fundamental principles of openness, integrity and accountability together with the overarching concept of leadership. In this respect, Norfolk County Council recognises the need for sound corporate governance arrangements and over the years has put in place policies, systems and procedures designed to achieve this. The Council's Code of Corporate Governance has been refreshed in line with CIPFA's latest guidance and was approved by the then Policy and Resources Committee on 26 March 2018. The code has been updated for consequential changes in June 2020. The Code brings together the Council's Governance and Standards in one place and supports the Council's Constitution. The Code is referenced in the Council's Annual Governance Statement, which is published each year and subject to external audit scrutiny.
- 1.3 The Monitoring Officer is appointed under Section 5 of the Local Government and Housing Act 1989 and has a number of statutory functions in addition to those more recently conferred under the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007 and subsequent regulations governing local investigations into member conduct. The current standards regime came into effect with the introduction of the Localism Act in 2011 and subsequent implementing regulations that came into force during 2012/13.

2. Key messages

- 2.1 The key messages to note from the year are:
 - There have been no 'reportable incidents' during the period 2020/21.
 - That the systems of internal control administered by the Monitoring Officer and Deputy Monitoring Officer including compliance with the Code of Corporate Governance and the Council's Constitution were adequate and effective during 2020/21 for the purposes of the latest regulations.
 - The Council has arrangements in place to ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.
 - The County Council publishes on its website a summary of Members' declared interests, all the authority's expenditure over £500 and the expenses of Chief Officers.
 - The Council is proactive in raising the standards of ethical conduct among members and staff, including the provision of ethics training and has put in place arrangements for monitoring compliance with standards

of conduct across the Council including:

- Code of Conduct for Members
 - Register of Disclosable Pecuniary Interests
 - Standards of conduct and behavior for officer
 - Register of gifts and hospitality
 - Complaints procedure
-
- Following the May 2017 elections and subsequent by-elections all Members completed a declaration of Disclosable Pecuniary Interests. These updates were loaded onto the website. These were refreshed after the May 2021 elections.
 - Following the May 2021 elections training on the Code of Conduct and registration and declaration of interests was made available to all Members. The Code of Conduct was revised, and a new Code adopted by Council in April 2021.
 - The Council can demonstrate that generally Members and staff exhibit high standards of personal conduct. During 2020/21 the number of standards complaints was low (as it was in 2019/20) and no hearings of the Standards Committee Hearings Sub-Committee were required.
 - Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and pecuniary interests. There is evidence that members and staff are making appropriate disclosures in the registers.
 - Bi-annually the Council takes part in data matching exercises which have specific tools for identifying potential conflicts of interests employees may have, for example; Employee data is matched against companies house data, supplier invoice data, supplier bank account data and other public organisations.
 - Where matches are identified these are investigated to ensure that where a declaration is required it has been made and; if a conflict is identified it is being managed appropriately.
 - In accordance with the Anti-Fraud, Bribery and Corruption Annual Activity Plan, an internal audit of arrangements for the Declarations of Interest for staff was conducted and reported to the then Council's Leadership Team in May 2018.
 - To further evolve and strengthen the work undertaken in previous years to ensure there are robust arrangements in place for declaring interest, options are currently being explored to make the declaration process digital (so that electronic registers are created) thus centralizing the recording and monitoring of interests made.
 - The Audit Committee receives an annual update on the Council's counter fraud and corruption policy applying to all aspects of the Council's business. There are effective arrangements for receiving and acting upon fraud and corruption concerns and disclosures from members of the public.

- The Council has arrangements in place to receive and investigate allegations of breaches of proper standards of financial conduct and fraud and corruption.
- The County Council's Anti-Fraud and Corruption Policy and Strategy was updated to reflect applicable changes in law and best practice and was approved by the Audit Committee in April 2021
- There is a whistleblowing policy which is publicised and demonstrates the Council's commitment to providing support to whistle-blowers and has been communicated to staff and those parties contracting with the Council. The policy was updated to reflect applicable changes in law and best practice and was approved by the Audit Committee in April 2021
- The Council can demonstrate its staff, and staff within contracting organisations, have confidence in the whistleblowing arrangements and feel safe to make a disclosure.
- nplaw, the legal service for the County Council, achieved reaccreditation of the Law Society's Lexcel quality standard in April 2021 and has arrangements in place to ensure the quality of the service provided.
- Money laundering requirements as stipulated in the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002 are fully met.

3. Results of the Monitoring Officer/ Deputy Monitoring Officer's work in 2020/21

3.1 In order to ensure the effective undertaking of her responsibilities, the Monitoring Officer has a number of duties which are set out in the table below:

DUTIES	EXAMPLES
Has regular meetings with each of the Head of Paid Service, Executive Director for Finance and Commercial Services and Assistant Directors of Governance in order to review current and likely future issues with legal, constitutional or ethical implications.	The Council in 2017 indicated a wish to move to an Executive Leader and Cabinet form of governance, the Constitution adopted then has been revised and updated by Council in April 2021.
Maintains good liaison and working relations with the External Auditor.	Key issues for the External Auditor are raised through correspondence and meetings as necessary with the External Auditor and through the Executive Director for Finance and Commercial Services. The External Auditor is notified and contacted if reportable incidents arise.

<p>Ensures that the County Council is kept up to date on new legislation and changes in the law which are relevant to the carrying out of the County Council's activities.</p>	<p>This generally takes the form of reports to Members and briefing notes to Executive Directors but where appropriate will involve training sessions for relevant Members and Officers. These activities are carried out in consultation and conjunction with relevant Executive Directors.</p>
<p>The Monitoring Officer or one of their senior staff is consulted at an early stage on new policy proposals and on matters, which have potentially significant legal implications.</p>	<p>The Monitoring Officer and staff in Legal Services are regularly consulted by Executive Directors on new policy proposals. The Monitoring Officer is a member of the Corporate Board which forms a part of the Member oversight arrangements in the Council. The Monitoring Officer's place on Corporate Board is complementary to the expectations on Executive Directors and the Head of Paid Service to involve the legal function early in decision making on significant projects and new policy proposals to ensure the Council acts lawfully.</p>
<p>All draft reports to the Service Committees are as a matter of routine cleared with the Monitoring Officer or Legal Services senior staff.</p>	<p>Significant reports for decision were routinely forwarded to the Monitoring Officer and/or Legal Services senior staff by service departments and were reviewed for their legal and ethical implications.</p>
<p>The Monitoring Officer has been informed of all emerging issues of concern of a legal, ethical or constitutional nature.</p> <p>Similarly, Members have ensured that the Monitoring Officer is routinely informed and consulted in respect of new policy proposals.</p>	<p>Executive Directors are aware that they should consult the Monitoring Officer on legal, ethical or constitutional matters and do so as the issues arise.</p> <p>Members can rely on the fact that significant reports for decision are routinely reviewed by the Monitoring Officer or senior staff in Legal Services prior to their presentation for decision</p>
<p>The Monitoring Officer has sought to resolve any potential illegality by identifying alternative and legitimate means of achieving the objective of the proposal.</p>	<p>The Monitoring Officer, in their capacity as Chief Legal Officer, and the senior staff in Legal Services regularly advise on the legality and/or appropriateness of administrative procedures.</p>
<p>In cases where external lawyers are acting for the County Council, it will be necessary for the relevant Chief Officer and the Monitoring Officer to agree arrangements for ensuring that vires and constitutional issues are satisfactorily addressed.</p>	<p>No exceptions were raised during the period.</p>

<p>In appropriate cases, and to secure the rapid resolution of a potential reportable incident or avoid a separate statutory report, the Monitoring Officer will be entitled to add their written advice to the report of any other County Council Officer.</p>	<p>There have been no such incidents during 2020/21.</p>
<p>Where the Monitoring Officer receives a complaint of a potential reportable incident, they must in appropriate cases seek to resolve the matter amicably, by securing that any illegality or failure of process is rectified. However, it is recognised that the Monitoring Officer may decide that the matter is of such importance that a statutory report is the only appropriate response.</p>	<p>There have been no incidents requiring a statutory report during 2020/21.</p>

4. Review of effectiveness of systems of internal audit

- 4.1 Regulation 7 of the Accounts and Audit Regulations 2015 (as amended in 2020) requires the Council to review annually the effectiveness of its system of internal audit. There is currently no guidance or good practice available for meeting this requirement. Informal advice from CIPFA and discussions with other local authorities provided various options for reviewing the effectiveness of the system of internal audit.
- 4.2 The elements of the Council's systems of internal audit and the assurance on their effectiveness include corporate control functions such as legal services. The Audit Committee will be recommended to consider and agree, at their meeting in July 2021, that; they 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.
- 4.3 nplaw's work was re-accredited by Lexcel, the Law Society's quality standard for all legal practices, in April 2021 and was commended for some good practice areas.

5. Governance Statement

- 5.1 In addition to the Council's own governance the Monitoring Officer provides legal advice as required to the following joint committees:
- Norfolk Records Committee
 - Norfolk Joint Museums and Archaeology Committee
 - Eastern Shires Purchasing Organisation (ESPO)
 - Eastern Inshore Fisheries and Conservation Authority; and
 - Norfolk Parking Partnership Joint Committee.
- 5.2 The Council and each Joint Committee (where required to do so) publishes

its own Annual Governance Statement.

- 5.3 In addition, the Monitoring Officer provides legal advice to the Pension Funds administered by the Council and in some areas, to the Council's wholly owned companies.

6. Section 17 Crime and Disorder Act 1998

- 6.1 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 in all of its work and do all that it reasonably can to prevent crime and disorder in Norfolk.

- 6.2. The Monitoring Officer's work helps deter crime or increase the likelihood of detection through making crime difficult, increasing the risks of detection and prosecution and reducing the rewards from crime.

7. Overall opinion on the adequacy and effectiveness of the Governance framework

- 7.1. That the systems of internal control administered by the Monitoring Officer including the Code of Corporate Governance and the Council's Constitution, were adequate and effective during 2020/21 for the purposes of the latest regulations.

Helen Edwards
Director of Governance
Tel: 01603 223415
Email: helen.edwards2@norfolk.gov.uk

Audit Committee

Item No. 12

Decision making report title:	Senior Information Risk Officer Annual Report 2020-21
Date of meeting:	29th July 2021
Responsible Cabinet Member:	Andrew Proctor, Leader - Governance and Strategy
Responsible Director:	Paul Cracknell, Executive Director of Strategy & Transformation
Is this a key decision?	No

Executive Summary

The Council has a duty to ensure sound internal controls and risk management including for Information Governance. While the Head of Paid Service has overall accountability for ensuring the Council's compliance with legislation, regulation and guidance, the Council has an Information Governance Framework that sets out;

- The principles that guide the use of information
- The key aims for information governance
- Information governance roles and responsibilities
- The governance structure in Norfolk County Council

The role of the Senior Information Responsible Officer (SIRO) is key to ensuring that the Framework is implemented, and their accountabilities are stated as;

- The SIRO is a Senior Officer responsible for reporting to Corporate Board on information risks and governance and ensuring that Information Governance is embedded across Norfolk County Council so that the potential Information risks are mitigated. Where information risks are identified the SIRO will make the final decision as to whether they are acceptable, and any actions needed to reduce / eliminate.

The current SIRO is Andrew Stewart (Director Insight & Analytics) who assumed the role from Helen Edwards (Director of Governance) on 1 November 2020; Helen Edwards continues as the Data Protection Officer (DPO).

This report provides an annual assurance statement to confirm that there are adequate systems and processes in place around Information Governance, and updates on the activity that has taken place to ensure a robust Information Governance culture.

Significant activity has been undertaken to deliver the recommendations laid out in the SOCITM report of March 2020, alongside critical work to ensure the Council remained compliant during Covid, after Brexit and as a result of Schrems II¹.

¹ Schrems II was a review of the validity of the Privacy Shield and Standard Contractual Clauses as approved mechanisms to protect the transfer of personal data from the EU under the GDPR. The outcome invalidated the EU:US Privacy Shield Framework as a transfer mechanism for exports of personal data to the US.

Recommendations To:

1. Consider the SIRO's annual statement on Information Governance and agree appropriate actions have been taken and there is a clear plan for further improvement
2. Consider and agree that the SIRO role, described in the Council's Information Governance Framework, has been adequately discharged.

1. Background and Purpose

- 1.1. This paper is designed to outline the activity that has been undertaken to ensure that the responsibilities held by the SIRO have been effectively discharged.

The Council's Information Governance Framework sets out the roles and responsibilities in relation to Information Governance, including the SIRO. The SIRO is delegated responsibilities in relation to Information Governance and is, 'a Senior Officer responsible for reporting to Corporate Board on information risks and governance and ensuring that Information Governance is embedded across Norfolk County Council so that the potential Information risks are mitigated. Where information risks are identified the SIRO will make the final decision as to whether they are acceptable, and any actions needed to reduce / eliminate.'

2. Proposals

- 2.1. The Audit Committee, as those charged with governance, are asked to consider the SIRO's annual statement on the effectiveness of the information governance as part of their delegated role and agree appropriate actions have been taken and there is a clear plan for further improvement. They are also asked to consider and agree that the SIRO role has been adequately discharged.

The following are the key messages emanating from the work of the SIRO over the 2020-21 year:

- Information Governance Steering Group was launched in December 2020 to ensure clear escalation and accountability for information risks. This group comprises SIRO, DPO, IMT, Caldicott Guardians (Adults and Children's) and Risk.
- New mandatory training was created for Information Governance (Data Protection Essentials) and continues for Online Security and there has been a focus on ensuring high levels of completion which now stands at 95%. It should be noted that 95% is considered by NHS Digital to be the standard required to allow access to their data.
- Critical Information Governance support has been provided across the Council to deliver our Covid response, including key access gained to region-wide information to help manage the pandemic.
- Considerable work has been undertaken to ensure that the Council was prepared for Brexit and Schrems II with all significant data confirmed to be held in the UK.
- Continued focus on information retrieval and scanning processes has significantly improved turnaround times for activity undertaken by the Information Governance Service. This work has gained very positive feedback, in particular from the Chief Constable of Norfolk, the CPS and Her Honourable Judge (HHJ) Moore.
- Between April 2020 and March 2021 we self-notified six breaches to the Information Commissioners Office (ICO). Three have been closed with no fines issued and three remain open with the ICO that we reported in 2021.
- The following deliverables in the Information Governance Plan were implemented which saw:
 - Information Governance Framework created and published.

- Information Governance Management Information suite developed and implemented.
- Current Information Governance processes reviewed and updated.
- Information Governance roles reviewed and appointments made (including Lead Member, SIRO and DPO).
- Information Compliance Group relaunched.
- Information Governance policies and procedures identified, reviewed and published in single location.
- Delivery of online Freedom of Information form.
- Information Governance vision developed and recruitment completed to manage current requirements.
- Information Governance related risks are documented in the Corporate Risk register and regularly reviewed to ensure focus at an appropriate level.

Annual SIRO Statement 2020-21

Following reasonable and appropriate enquiries and in fulfilment of my accountabilities under the Information Governance Framework, I confirm that the Council has adequate systems and processes in place around Information Governance and any potential information risks have been mitigated. Significant progress has been made following the implementation of recommendations from the SOCITM report and further activity is underway to strengthen the Information Governance agenda further.

– Andrew Stewart, Director Insight & Analytics & SIRO

3. Impact of the Proposal

- 3.1. Good Information Governance supports compliance with the UK General Data Protection Regulation and the requirement for sound internal control and risk management in the Accounts and Audit Regulations 2014 (as amended in 2020).

4. Evidence and Reasons for Decision

- 4.1. As detailed in the key messages, a significant number of actions have been taken in 2020-21 that have strengthened Information Governance within the Council and will ensure that the SIRO can continue to manage information risk.

As part of the Information Governance plan, key measures have been tracked to provide assurance that Information Governance is being appropriately managed across the Norfolk County Council and action can be taken as required to address any exceptions.

The current key measures and progress are shown below, for awareness:

- 1. Information Governance Framework and procedures**
 - a. Framework developed and published.
 - b. Procedures identified, reviewed and centralised.
- 2. Awareness and accountability**
 - a. New Information Governance mandatory training created and launched – 95% completion.
- 3. Monitoring and assurance**
 - a. Information Governance Steering Group created and held bi-monthly.
 - b. Information Governance Group relaunched with clear accountability and escalation and held bi-monthly.
- 4. Information Management**
 - a. Subject Access Request backlog reduced – additional resource in 2021/22.
 - b. Freedom of Information Requests – within timescale.
- 5. Information security**

- a. Cyber security mandatory training – 95% completion.

6. Collection and use of personal information

- a. Breaches remain level – resourced to allow a full-time role to be focussed on these again, from April 2021.
- b. Data Protection Impact Assessments – increase in support provided from Information Governance.

Future deliverables that have been identified to further improve Information Governance in 2021-22 include:

1. Centralising all Information Governance documents electronically.
2. Maintaining and improving accessibility of Information Governance policies and procedures.
3. Further engagement and training to raise Information Governance awareness.
4. Review of further technology options to improve Information Governance e.g. online SAR form, FOI searchable database and redaction technology.

5. Alternative Options

- 5.1. The alternative is not to accept the SIRO statement or to accept the future activity planned. This would risk not having robust information governance in place and would likely be detrimental in meeting relevant regulations.

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 no IT implications.

8. Other Implications

8.1. Legal Implications

There are no specific legal implications to consider within the report.

8.2. Human Rights implications

There are no specific human rights implications to consider within the report.

8.3. Equality Impact Assessment (EqIA) (this must be included)

No implications.

8.4. Health and Safety implications (where appropriate)

There are no health and safety implications.

8.5. Sustainability implications (where appropriate)

There are no suitability implications.

8.6. **Any other implications**

There are no other implications.

9. **Risk Implications/Assessment**

9.1. Not applicable.

10. **Select Committee comments**

10.1. Not applicable.

11. **Recommendations**

11.1. See Executive Summary above.

12. **Background Papers**

12.1. Information Governance Framework (<https://intranet.norfolk.gov.uk/tasks/information-governance/information-governance-framework>)

Officer Contact

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

Officer name: Andrew Stewart

Tel No.: 01603 228891

Email address: andrew.stewart@norfolk.gov.uk

Audit Committee

Item No 13

Report title:	Norfolk Pension Fund Governance Arrangements 2020-21
Date of meeting:	29 July 2021
Responsible Chief Officer:	Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
Strategic impact The Audit Committee requested that the Director of the Norfolk Pension Fund report to Committee outlining the ongoing governance arrangements of the Norfolk Pension Fund. The Norfolk Pension Fund's governance arrangements are detailed in the Fund's Governance Statement. The Fund prepares and publishes a Governance Compliance Statement, which measures compliance against best practice guidelines. The Fund is fully compliant with legislative requirements, regulatory guidance and recognised best practice in relation to Governance.	

Executive summary

Recommendation: The Audit Committee is requested to consider and agree this report, which details to the Committee the Norfolk Pension Fund governance arrangements, being fully compliant with legislative requirements, regulatory guidance and recognised best practice.

1. Proposal (or options)

1.1 The recommendation is set out in the Executive Summary.

2. Evidence

2.1 The Fund prepares and publishes a Governance Compliance Statement, which measures compliance against best practice guidelines. The Fund is fully compliant with legislative requirements, regulatory guidance and recognised best practice in relation to Governance.

Pensions Committee

- 2.2 As Administering Authority for the LGPS in Norfolk, and in accordance with legislation, the Council has delegated LGPS pensions' matters to Pensions Committee who have 'quasi trustee' status. The 'quasi' status reflects the fact that individual trustees do not have the same legal status as their private sector counterparts. However, like trustees of private sector pensions schemes, their overriding duty is to ensure the best outcomes for the Pension Fund, its scheme members/beneficiaries and participating employers.
- 2.3 Pensions Committee membership includes representatives of other employers and scheme members, alongside the Council's elected members. This is in compliance with statutory guidelines for LGPS Governance.
- 2.4 The Pensions Committee oversees the management (e.g. administration, strategy and investment) of the Norfolk Pension Fund. Terms of Reference for the Committee, as detailed in Part 4.1 of the Council's Constitution, are as follows:
- 2.5 To administer all aspects of the Norfolk Pension Fund on behalf of Norfolk County Council as Administering Authority of the Local Government Pension Scheme, and on behalf of Norfolk County Council as an employer within the Scheme alongside all other contributing employers, and on behalf of all scheme members/beneficiaries including:-
- (a) Functions relating to local government pensions etc under regulations made under Sections 7, 12 or 24 of the Superannuation Act 1972.
- (b) To receive and consider the draft Financial Statements for the Norfolk Pension Fund.
- (c) To comment on the draft Financial Statements and make a recommendation to the Audit Committee that they be approved/not approved.

Governance Statement and Governance Compliance Statement

- 2.6 Under Regulations 55 of The Local Government Pension Scheme regulations 2013, LGPS administering authorities are required to prepare, publish and maintain statements of compliance against a set of best practise principles on scheme governance and stewardship. These principles are set out in statutory guidance issued by DCLG.
- 2.7 In accordance with this legislation, the Norfolk Pension Fund prepares and publishes each year a Governance Statement and Governance Compliance Statement. Both statements are approved by the Pensions Committee.
- 2.8 The Pension Fund's Governance Statement details roles and responsibilities in relation to the Fund and is attached at **Appendix A**. The Statement is published on the Norfolk Pension Fund website, www.norfolkpensionfund.org

- 2.9 The Fund's Governance Compliance Statement (which measures compliance against best practise guidelines) is attached at **Appendix B**. The Fund's Governance Compliance Statement is incorporated in the published Annual Report and Statement of Accounts. The Norfolk Pension Fund is fully compliant with the principles as set out in the statutory guidance.

Pensions Oversight Board

- 2.10 The Public Service Pensions Act 2013, includes several key provisions relating to the administration and governance of public service pension schemes including the LGPS. Under the provisions of section 5 of the Public Service Pensions Act 2013 and regulation 106 of the LGPS Regulations 2013 (as amended), LGPS funds must set up and operate local pension boards.
- 2.11 In Norfolk the Local Pension Board is referred to as the Norfolk Pension Fund Pensions Oversight Board. The role of the Board is to assist the Norfolk Pension Fund in complying with all the legislative requirements and help ensure that the scheme is being effectively and efficiently governed and managed. The Board's recent programme of work has included:
- The impact of and response to the coronavirus pandemic on the operations of the Norfolk Pension Fund on behalf of its stakeholders
 - Norfolk Pension Fund's internal structural review programme, including the replacement pensions administration system, and the impact on employers and scheme members
 - Investment pooling (including transition of assets to the ACCESS pool)
 - LGPS reform (including the Good Governance Project)
 - Benefits and Regulatory changes, response and compliance
 - Risk Management and reporting
 - Accessibility guidelines and compliance
 - Retired Member revised engagement plans
 - Smarter working planning
 - Employer Asset Tracking arrangements
 - Audit Reports

- 2.12 The Terms of Reference for the Norfolk Pension Fund Pensions Oversight Board and minutes of meetings can be found at [Pension Board TOR and minutes](#).

- 2.13 The Pensions Oversight Board has an equal number of employer representatives and scheme member representatives. In addition, an independent chairman has been appointed to oversee the smooth running of the board.

Other Governance Arrangements

- 2.14 The governance arrangements of the Norfolk Pension Fund are further supported by:
- Norfolk Audit Services undertaking internal audits in accordance with an annual internal audit plan agreed by Pensions Committee, which provide assurances on the adequacy and effectiveness of internal controls and risk management for the Pensions Committee.

- The work undertaken by External Audit (Ernst and Young) and detailed in the annual external audit plan noted by Pensions Committee, to provide an audit opinion on whether the financial statements of the Norfolk Pension Fund provide a true and fair view of the fund's financial position at year end.
- 2.15 Upon completion of the audit of financial statements, the External Auditor will produce a report (ISA 260 – Communication with those charged with Governance), which may include any specific matters of governance which have come to his attention in performing the audit. The Chair of Audit Committee, the Chair of Pensions Committee and Executive Director of Finance and Commercial Services, will draft a letter of representation to the External Auditor highlighting any matters material to the financial statements and possible non-compliance with laws and regulations. The Chair of Audit Committee, the Chair of Pensions Committee and Executive Director of Finance and Commercial Services countersigns the letter on behalf of “those charged with governance”.
- 2.16 The appointment of Ernst and Young to the Pension Fund is separate from their appointment to the County Council.

LGPS Pooling of Investment Assets

- 2.17 The Government requires regional LGPS Funds to work together to “pool investments to significantly reduce costs, while maintaining investment performance”.
- 2.18 Since December 2016, the Norfolk Pension Fund has been working with 10 other ‘like-minded’ Administering Authorities to form the ACCESS (A Collaboration of Central, Eastern and Southern Shires) Pool. The ACCESS Funds are Cambridge, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Norfolk, Northamptonshire, Suffolk and West Sussex. Together the 11 Funds have investment assets of approximately £56 billion (31 March 2021).
- 2.19 Investment pooling is intended to create the scale that will enable access to lower investment manager fees and deliver cost savings to the LGPS. In a pooled investment structure individual funds, like Norfolk, are still responsible for their own investment strategy and asset allocation.
- 2.20 To facilitate pooling, the ACCESS funds jointly drafted a legally binding Inter Authority Agreement (IAA) setting out the governance arrangements for the pooling of investments. Approval for the Norfolk Pension Fund to enter into the IAA for the pooling of assets was given by Norfolk County Council on 20 February 2017.
- 2.21 The ACCESS Pool is governed by a Joint Committee (JC) constituted under s101 of the Local Government Act 1972 and made up of the Chairs from the 11 Pension Committees.
- 2.22 The ACCESS authorities have appointed LINK Fund Solutions Ltd as the Pool's Financial Conduct Authority (FCA) authorised Operator. The Operator is responsible for selecting and contracting with investment managers on behalf of the authorities participating in the Pool.

- 2.23 To date, ACCESS Funds have collectively pooled around £31.5bn of investments assets, with Norfolk having pooled assets of around £2bn, comprising the entirety of its public equity investment. Over the course of the next 12 to 24 months, further equity and bond sub-funds will continue to be added by the Operator to provide Norfolk and the other ACCESS Funds with a diversified range of investment sub-funds. Work is also ongoing on Pool solutions for alternative assets including private equity, private debt, real estate and infrastructure.
- 2.24 A key element of ACCESS's governance arrangements focus on the robust management of the Operator contract. The ACCESS authorities hold the Operator to account via the JC which is supported by an ACCESS Support Unit hosted by Essex County Council.
- 2.25 An overview of ACCESS's governance structure is attached at **Appendix C**.

3. Financial Implications

- 3.1. The expenditure falls within the parameters of the Annual Budget agreed by the Pensions Committee.

4. Issues, risks and innovation

- 4.1 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 of its work and do all that it reasonably can to prevent crime and disorder in Norfolk.

- 4.2 Internal Controls, including those assessed under the use of resources, help by aiming to deter crime, or increase the likelihood of detection through making crime difficult, increasing the risks of detection and prosecution and reducing rewards from crime.

4.3 Other resource implications

There were no other resource implications arising from this report.

4.4 Legal implications

There were no legal implications arising from this report.

4.5 Risk implications

This report has fully taken into account any relevant issues arising from the Council's policy and strategy for risk management and any issues identified in the corporate and departmental risk registers.

4.6 **Equality implications**

The Norfolk Pension Fund has considered the impact of the changes in service delivery as a result of the global pandemic. There are no issues relevant to equality in this report.

4.7 **Human rights implications**

There were no human rights implications arising from this report.

4.8 **Environmental implications**

There were no environmental implications arising from this report.

4.9 **Health and safety**

There were no health and safety issues arising from this report.

5. Background

5.1 The Local Government Pension Scheme (LGPS) is a national scheme, which is governed by statute to meet the pension requirements of Local Government and other associated employers. Although the LGPS is a national scheme, it is administered locally (through 89 Funds across England and Wales which have local accountability). The Scheme has its own Regulator, the Ministry of Housing, Communities and Local Government Department (MHCLG).

5.2 In Norfolk, the LGPS is administered by Norfolk County Council (NCC) and delivered through the Norfolk Pension Fund. The Fund is a multi-employer arrangement which currently has over 400 participating employers.

5.3 The Norfolk Pension Fund is maintained separately from NCC. It has a separate bank account, ring fenced assets, a separate budget funded from its own resources and produces its own Statement of Accounts and Annual Report. The Pension Fund accounts are in addition to the statutory disclosures made in NCC's Statement of Accounts.

Officer Contact

If you have any questions about matters contained in this paper, or want to see copies of any assessments e.g. equality impact assessment, please contact:

Officer Name: Glenn Cossey – Director of the Norfolk Pension Fund

Tel No: 01603 228978

Email address: glenn.cossey@norfolk.gov.uk



If you need this Agenda 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.



Norfolk Pension Fund

Governance Strategy Statement

This document sets out the
governance arrangements
for the
Norfolk Pension Fund
as at June 2021



Administering Authority

Norfolk County Council (NCC) is the **Administering Authority** of the Norfolk Pension Fund and administers the Local Government Pension Scheme (LGPS) on behalf of participating employers and scheme members.

- Norfolk County Council has delegated its pensions functions to the **Pensions Committee**
- Norfolk County Council has delegated responsibility for the administration and financial accounting of the Norfolk Pension Fund to the **Executive Director of Finance and Commercial Services**
- The **Norfolk Pension Fund Pensions Oversight Board** acts as the **Local Pension Board** for the Norfolk Pension Fund

Pensions Committee

The Pensions Committee is responsible for the strategic management of the assets of the Fund and the administration of benefits. The Pensions Committee meets quarterly in order to:

- Ensure compliance with legislation and best practice
- Determine policy for the investment, funding and administration of the Fund
- Monitor performance across all aspects of the service
- Consider issues arising and make decisions to secure efficient and effective performance and service delivery
- Appoint and monitor advisors
- Ensure that arrangements are in place for consultation with stakeholders as necessary



Pensions Committee Trustees*

- The Pensions Committee act as Trustees and oversee the management of the Norfolk Pension Fund
- As Trustees, their overriding duty is to ensure the best possible outcomes for the Pension Fund, its participating employers and scheme members
- Their knowledge is supplemented by professional advice from Pension Fund staff, professional advisers and external experts
- To meet the requirements set out by the Pensions Regulator's Code of Practice, Trustees need a certain level of expertise. An ongoing programme of trustee training is delivered and no substitutions are allowed at Committee

Pensions Committee Membership

There are eight members of the Pensions Committee:

Chairman	Norfolk County Councillor	Judy Oliver
	Norfolk County Councillor	William Richmond
	Norfolk County Councillor	Daniel Roper
	Norfolk County Councillor	Robert Savage
	Norfolk County Councillor	Martin Storey
Vice-Chairman	District Councillor (elected by the Local Government Association)	Alan Waters
	District Councillor (elected by the Local Government Association)	John Fuller
	Staff Representative	Steve Aspin
	Observer**	Open to all participating employers
Other attendees	Administrator of the Fund (NCC Executive Director of Finance and Commercial Services)	Simon George
	Director of the Norfolk Pension Fund	Glenn Cossey
	Investment Advisor to the Fund (Hymans Robertson)	David Walker

* Pensions Committee members act as Trustees but do not have legal status as Trustees.

** The observer seat is not currently part of the formal Constitution and does not have voting rights. However, the observer seat is an equal member of the Committee in all other ways, with access to all Committee papers, officers, meetings and training, along with the opportunity to contribute to the decision making process.

Local Pension Board

In line with all public service pension schemes, each Local Government Pension Scheme (LGPS) Fund is required to have a Local Pension Board.

The Local Pension Board for the Norfolk Pension Fund is called the **Norfolk Pension Fund Pensions Oversight Board**.

Role of the Pensions Oversight Board

The role of the **Pensions Oversight Board**, as defined by Regulation 106 of the Local Government Pension Scheme Regulations 2013, (“the Regulations”) is to:

- Assist the **Administering Authority** to secure compliance with:
 - the Regulations and any other legislation relating to the governance and administration of the Local Government Pension Scheme (LGPS);
 - requirements imposed in relation to the LGPS by the Pensions Regulator (tPR); and
 - such other matters as the LGPS regulations may specify
- Assist the **Administering Authority** to ensure the effective and efficient governance and administration of the Norfolk Pension Fund
- Provide the **Administering Authority** with such information as it requires ensuring that any member of the **Pensions Oversight Board** or person to be appointed to the **Pensions Oversight Board** does not have a conflict of interest

The **Pensions Oversight Board** also helps ensure that the Norfolk Pension Fund is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by The Pensions Regulator.

The creation of the **Pensions Oversight Board** does not change the core role of the **Administering Authority** nor the way it delegates its pension functions to the **Pensions Committee**. The **Pensions Oversight Board** does not replace the **Administering Authority** nor make decisions which are the responsibility of the **Administering Authority** under both the Regulations and other relevant legislation.

The **Pensions Oversight Board** only has the power to oversee decisions made by the **Administering Authority** and to make recommendations to improve the efficient and effective administration and governance of the pensions function, including funding and investments.

The full **Terms of Reference** for the **Pensions Oversight Board** are on the Norfolk Pension Fund website at www.norfolkpensionsfund.org.

Pensions Oversight Board Membership

The **Pensions Oversight Board** has an equal number of scheme member and scheme employer representatives (three of each), along with an Independent Chairman:

Independent Chair	Brian Wigg
Scheme Member Representative	John Harries Active/deferred member
Scheme Member Representative	Peter Baker Pensioner member
Scheme Member Representative	Rachel Farmer Trade union
Scheme Employer Representative	Cllr Chris Walker, Poringland Parish Council Levying/precepting employer
Scheme Employer Representative	Howard Nelson, Diocese of Norwich Education and Academies Trust Non-levying/precepting employer
Scheme Employer Representative	Debbie Beck, Norfolk County Council

Pensions Oversight Board members comply with the Norfolk Pension Fund training policy, and training opportunities are as far as possible are shared with the **Pensions Committee**.

Each member of the **Pensions Oversight Board** is responsible for complying with the knowledge and understanding requirements of section 248A of the Pensions Act 2004.

Pensions Oversight Board Meetings

There are at least two **Pensions Oversight Board** meetings a year and it normally meets quarterly.

Papers, agendas and minutes of these meetings are published on the Norfolk Pension Fund website at www.norfolkpensionfund.org.

In addition, the **Pensions Oversight Board** produce an annual report in accordance with any regulatory requirements.

Executive Director of Finance and Commercial Services

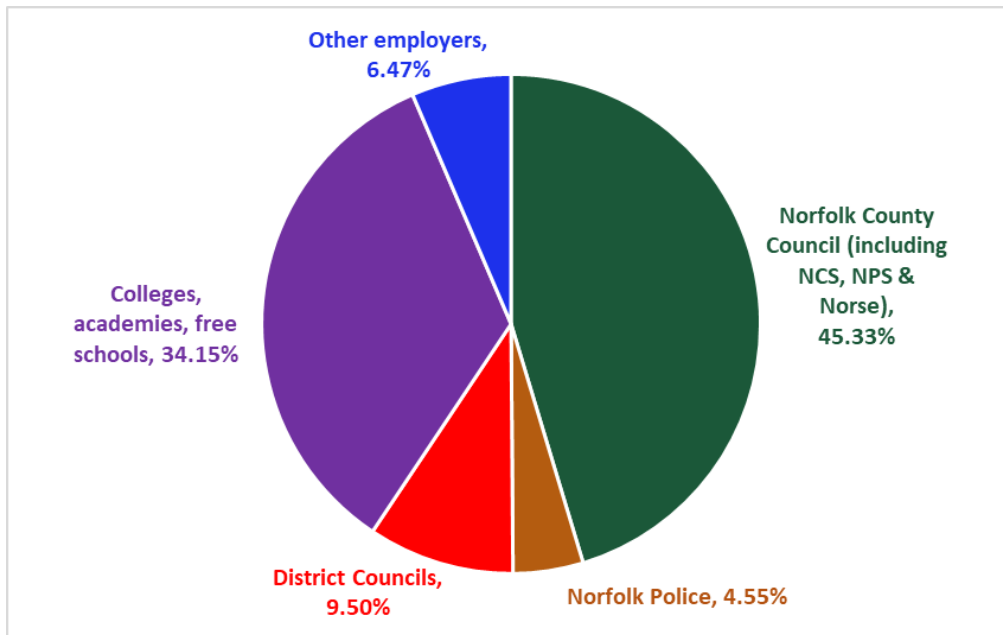
- The **Executive Director of Finance and Commercial Services** is Norfolk County Council's Chief Finance Officer and Section 151 Officer
- As Administrator of the Fund he is responsible for:
 - The administration and financial accounting of the Fund
 - The preparation of the Pension Fund Annual Statement of Accounts

Legislation and Regulations

- The Norfolk Pension Fund administers the Local Government Pension Scheme (LGPS) in Norfolk and is governed by the:
 - Local Government Pension Scheme Regulations 2013
 - Local Government Pension Scheme (Miscellaneous Amendments) Regulations 2014
 - Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
 - Local Government Pension Scheme (Amendment) Regulations 2015
 - Local Government Pension Scheme (Management and Investment of funds) Regulations 2009, and subsequent amendments
- **Pensions Committee** is governed by Norfolk County Council's procedural rules under the Council's Constitution. The Committee's **Terms of Reference** are:
 - "To administer all aspects of the Norfolk Pension Fund on behalf of Norfolk County Council as Administering Authority of the Local Government Pension Scheme, and on behalf of Norfolk County Council as an employer within the scheme alongside all other contributing employers, and on behalf of all scheme beneficiaries (scheme members) including:
 - Functions relating to local government pensions etc under regulations made under Sections 7, 12 and 24 of the Superannuation Act 1972
 - To receive and consider the draft Financial Statements for the Norfolk Pension Fund
 - To comment on the draft Financial Statements and make a recommendation to the Audit Committee that they be approved/not approved"
- Financial affairs are conducted in compliance with Norfolk County Council's Financial Regulations
- Funds are invested in compliance with the Norfolk Pension Fund's Investment Strategy Statement

Membership of the Fund and Local Accountability

Active Membership Breakdown by Employer as at 31 March 2021



Local Accountability - Representation

Employers

- Employers are directly represented on Pensions Committee and the Pensions Oversight Board
- All employers are invited to regular Employer Forums and the Annual Meeting

Scheme Members

- Scheme Members are directly represented on Pensions Committee and the Pensions Oversight Board
- All active and deferred scheme members are invited to the Annual Meeting and Pensions Clinics; retired members receive two annual newsletters and are directly represented on the Pensions Oversight Board

Membership as at 31 March 2021

425 Contributing Employers

27,370 Pensioners

(members in receipt of a pension from the Fund)

30,257 Active Members

(members who are currently in the employment of a participating employer)

37,106 Deferred members

(members who have left the employment of a participating employer, but who are not yet in receipt of their pension)

Local Accountability - Transparency

- The Fund is committed to providing clear, relevant, accessible and timely information to all stakeholders
- How it does this is set out in the annually updated Customer Care and Communication Strategy Statement. This is on our website at www.norfolkpensionfund.org
- Pensions Committee reports, agendas and minutes are published on the Norfolk County Council website at www.norfolk.gov.uk
- Pensions Committee meetings are open to the public
- Pensions Oversight Board reports, agendas and minutes are published on the Norfolk Pension Fund website at www.norfolkpensionfund.org
- The Annual Pension Fund Report and Accounts, reporting on the activities and investment performance of the Fund, and including the Pensions Oversight Board annual report, are on our website at www.norfolkpensionfund.org
- Payments over £500 are published on the Norfolk County Council website at <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/open-data-fois-and-data-protection/open-data/payments-to-suppliers>
- Extracts from the Annual Report and a signpost to the whole document are included in the Annual Benefit Statement sent to all scheme members, and in Primetime, the annual magazine sent to all retired members
- All scheme members and employers are invited to an Annual Meeting
- All employers and members of the Pensions Committee and Pensions Oversight Board are invited to our Employer Forums. These are an opportunity for employers to discuss matters of interest to their organisations with officers and members

ACCESS Investment Pool

The Norfolk Pension Fund participates in ACCESS (A Collaboration of Central, Eastern and Southern Shires), an investment asset pool of eleven Administering Authorities within the Local Government Pension Scheme (LGPS).

The ACCESS authorities have signed an Inter Authority Agreement which established a Joint Committee at which the Chair from each Administering Authority Section 101 Committee ('Pensions Committee') is represented.

The Norfolk Pension Fund Pensions Committee and Pensions Oversight Board are regularly updated and review the work of the Joint Committee and the Operator, and ACCESS investment performance.

More information can be found on the ACCESS website at www.accesspool.org.

Norfolk Pension Fund

County Hall

Martineau Lane

Norwich

NR1 2DH

Pensions Administration

01603 495923

pensions@norfolk.gov.uk

Investment, Accountancy and Actuarial Services

01603 222139

pensions.finance@norfolk.gov.uk

Website, Technical and Employer Queries

01603 222132

pensions.systems@norfolk.gov.uk

www.norfolkpensionfund.org



If you would like this newsletter in large print, audio, Braille, alternative format or in a different language, please call 01603 222824 or email pensions@norfolk.gov.uk

Principle A – Structure

	Not compliant*				Fully compliant
a					√
b					√
c					√
d					√

- a. The management of the administration of benefits and strategic management of fund assets rests clearly with the main committee established by the appointing council.
Full Council have delegated responsibility to Pensions Committee to administer all aspects of the Norfolk Pension Fund on behalf of Norfolk County Council as Administering Authority of the scheme, and on behalf of NCC as an employer within the scheme alongside all other contributing employers, and on behalf of all scheme beneficiaries (scheme members). The Norfolk Pension Fund is part of the ACCESS investment pool, and is represented at the ACCESS Joint Committee, however all strategic asset allocation decisions remain with the Norfolk Pension Fund Pensions Committee.
- b. That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.
In addition to the Norfolk County Council members, 2 district councillors elected by the Local Government Association represent the largest group of employers; an observer seat is available to all other employers. Scheme members (including active, deferred and retired) are represented at Committee by the Staff Representative. Pensions Committee is observed by members of the Local Pension Board (known locally as the Pensions Oversight Board [POB]), made up of employer and employee representatives, and an independent Chair.
- c. That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.
There is no formal secondary committee or panel. Regular employers' forums and other activities detailed within the communication strategy ensure effective communication. The Local Pension Board (known locally as the Pensions Oversight Board [POB]) regularly reports to Pensions Committee and POB members observe all Pensions Committee meetings.
- d. That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.
No formal secondary committee or panel has been established. However, employers are regularly reminded via the Employers' Forum and Employers newsletters of the observer opportunity at Committee. Scheme members are reminded that they can observe committee meetings via the annual "Your Pension" booklet and also at the Annual Meeting. Some Committee and POB Members also attend Employer Forum meetings and member events

Principle B – Representation

	Not compliant*				Fully compliant
a.i					√
.ii					√
.iii					√
.iiii					√

- a That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:
- i Employing authorities (including non-scheme employers, e.g. admitted bodies)
Two district councillors elected by the Local Government Association represent the largest group of employers. An observer place is available to all other employers. POB: 3 employer representatives; all employers are invited to stand for election to POB.
 - ii Scheme members (including deferred and pensioner scheme members)
Scheme members (including active, deferred and retired) are represented at Committee by the Staff Representative, who has full voting rights. Scheme members are reminded that they can observe committee meetings via the annual “Your Pension” booklet and also at the Annual Meeting. POB: 3 scheme member representatives; all scheme members invited to stand for election.
 - iii Independent professional observers
Hymans Robertson, as Advisers to the Norfolk Pension Fund, attend Committee; they also attend POB as required.
 - iv Expert advisors (on an ad-hoc basis)
Expert advisors are invited to attend committee and POB as and when necessary.

Principle C – Selection and role of lay members

	Not compliant*				Fully compliant
a					√
b					√

- a That committee or panel members are made fully aware of the status, role and function that they are required to perform on either a main or secondary committee.
In addition to general Councillor Induction for newly elected members, Pensions Committee / POB members are briefed on appointment to Pensions Committee / POB by the Director of the Norfolk Pension Fund and senior officers. Other elected members who do not sit on Pensions Committee are briefed as required / requested. An on going training strategy is maintained and delivered.
- b That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.
This is a standing agenda item for each committee and POB meeting.

Principle D – Voting

	Not compliant*				Fully compliant
A					√

- a The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.
Voting rights are set out in the Norfolk Pension Funds Governance statement which is published on the Funds website, www.norfolkpensionfund.org. All members of Pensions Committee have voting rights, including the Staff Representative. All Employer and Scheme member representatives on POB have voting rights.

Principle E – Training / facility time / expenses

	Not compliant*				Fully compliant
A					√
B					√
C					√

- a That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.
We use Norfolk County Councils' generic elected member remuneration policy, which includes Travel and Subsistence allowances. POB members can claim travel and Subsistence costs incurred. In addition, the Fund maintains a training budget for Pensions Committee and POB for the delivery of our on-going members training programme, and related expenses.
- b That where such a policy exists it applies equally to all members of committees, sub-committees, advisory panels or any form of secondary forum.
All relevant individuals / bodies are treated equally, for example the Staff Representative, members of the Pensions Oversight Board (Local Pension Board).
- c That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.
The Fund maintains and delivers a training strategy. Committee member and POB training needs are considered alongside the 12 month committee agenda planning process. Some aspects of training are business driven and therefore the programme is flexible. This allows us to align training most effectively with operational need / current agenda items, and therefore support member decision making. Regular Member training is supplemented by attending LGA and other associated events and more recently webinars and virtual conferences and training, as well as an annual (more frequently if required) comprehensive bespoke Knowledge and Understanding event, talking to leading experts about all aspects of LGPS Investment and Governance and current issues. A Training Log is maintained.

Principle F – Meetings (frequency / quorum)

	Not compliant*				Fully compliant
a					√
b					√
c					√

- a That an administering authority’s main committee or committees meet at least quarterly.
The Pensions Committee meets quarterly.
- b That an administering authority’s secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.
There is no formal secondary committee or panel. The Employers’ Forum meets regularly, planned around operational requirements; POB meets regularly, aligned to Committee timetable.
- c That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.
A Staff Representative (who represents all current, deferred and retired scheme members) sits on Pensions Committee. An Observer Seat at Committee is also available to Employers not directly represented. In addition, regular Employers’ Forums take place and Retired Members engagement is maintained; whilst in person events have been suspended currently due to coronavirus, an additional newsletter has been introduced and feedback is sort in a variety of ways. Whilst in person Pensions Clinics for all scheme members (including Deferred) have been suspended due to coronavirus, communications with scheme members has been maintained, and an Annual Meeting is offered. The Pensions Oversight Board (Local Pension Board) has equal employer /scheme member membership.

Principle G – Access

	Not compliant*				Fully compliant
a					√

- a That subject to any rules in the council’s constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.
*All committee and POB members have equal access to committee papers, documents and advice. POB members observe Committee meetings. Public Minutes of Committee Meetings are published on Norfolk County Councils website:
http://norfolkcc.cmis.uk.com/norfolkcc/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/30/Default.aspx
POB minutes are published on the Norfolk Pension Fund’s website:
<https://www.norfolkpensionfund.org/governance/local-pension-board/>*

Principle H – Scope

	Not compliant*				Fully compliant
a					√

- a That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.

The Norfolk Pension Fund adopts a holistic approach to pension fund management. Pensions Committee is responsible for all aspects of the management of the pension fund (investment and administration) and delivery of its services, including all relevant budgets, strategies and service planning.

Principle I – Publicity

	Not compliant*				Fully compliant
a					√

- a That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.

The Norfolk Pension Funds' Governance Statement and Communication and Customer Care Strategy are published on the Funds' website www.norfolkpensionfund.org, and included within the Pension Fund Annual Report (which is also published on our website), with hard copies of each available on request. Employers are reminded via the Employers Forum and Employers Newsletters that there is an observer seat at Committee for Employers not directly represented. Scheme Members receive an annual booklet with news of the Funds performance, legislative changes and other relevant pension's news, and are invited to a formal annual meeting. Whilst Retired members cannot currently attend in person events, a second annual newsletter has been introduced. All scheme members and employers are invited to stand for membership of the Pensions Oversight Board (Local Pensions Board).

11 Administering Authorities



Audit Committee

Item No 14

Report title:	Work Programme
Date of meeting:	29 July 2021
Responsible Cabinet Member:	Not applicable
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services
Is this a key decision?	No
<p>Executive Summary</p> <p>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.</p> <p>Recommendations</p> <p>The Audit Committee are asked to consider and agree:</p> <ul style="list-style-type: none"> • 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. Proposals

2.1. The proposed work is set out in the tables below:

October 2021	
Annual Statement of Accounts and Annual Governance Statement 2020-21	Executive Director, Finance and Commercial Services
External Auditor Report/Letters of Representation	Executive Director, Finance and Commercial Services
Norfolk Audit Services' Terms of Reference	Executive Director, Finance and Commercial Services
NAS Quarterly Report Quarter ended September 2021	Executive Director, Finance and Commercial Services
Risk Management Report	Executive Director, Finance and Commercial Services
Audit Committee Work Programme	Executive Director, Finance and Commercial Services
Anti-Fraud and Corruption Strategy and Whistleblowing Update	Chief Legal Officer

January 2022	
Risk Management Report	Executive Director, Finance and Commercial Services
NAS Quarterly Report Quarter ended December 2021	Executive Director, Finance and Commercial Services
Internal Audit Strategy, Approach, Strategic Plan and Internal Audit Plan for 2022-23	Executive Director, Finance and Commercial Services
Audit Committee Work Programme	Executive Director, Finance and Commercial Services

April 2022	
NAS Quarterly Report Quarter ended March 2022	Executive Director, Finance and Commercial Services
Risk Management Report	Executive Director, Finance and Commercial Services
Risk Management Annual Report 2020-21	Executive Director, Finance and Commercial Services
Audit Committee Work Programme	Executive Director, Finance and Commercial Services
Anti-Fraud and Corruption Strategy and Whistleblowing Update	Chief Legal Officer
Insurance Annual Report 2021-22	Executive Director, Finance and Commercial Services
Norfolk Audit Services Annual Report 2021-22 (including Quarter ended April 2022)	Executive Director, Finance and Commercial Services
Audit Committee – Terms of Reference	Executive Director, Finance and Commercial Services
Anti-Fraud and Corruption Strategy and Whistleblowing Update and Anti-Fraud and Corruption Annual Report 2021-22	Director of Governance

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. Staff:

There are no staff implications.

7.2. Property:

There are no property implications

7.3. IT:

There are no IT implications

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)

No implications

8.4. Health and Safety implications (where appropriate)

There are no health and safety implications

8.5. Sustainability implications (where appropriate)

There are no sustainability implications

8.6. Any other implications

There are no other implications

9. Risk Implications/Assessment

9.1. Not applicable

10. Select Committee comments

10.1 Not applicable

11. Recommendation

11.1 See Action Required in the Executive Summary above.

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



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.