

Audit committee

Date: Tuesday, 21 September 2021

Time: 16:30

Venue: Council chamber, City Hall, St Peters Street, Norwich, NR2 1NH

Committee members:

Councillors:

Price (chair)

Driver (vice chair)

Giles

Haynes

Sands (M)

Stutely

Wright

1 vacancy

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Agenda

		Page nos
1	Apologies	
	To receive apologies for absence	
2	Public questions/petitions	
	To receive questions / petitions from the public in line with the Council's Constitution	
3	Declarations of interest	
	(Please note that it is the responsibility of individual members to declare an interest prior to the item if they arrive late for the meeting)	
4	Minutes	5 - 12
	To approve the accuracy of the minutes of the meeting held on 13 July 2021	
5	Internal Audit Q1 Update	13 - 26
	Purpose - This report reviews the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2021/22 during the period 1 April to 10 September 2021. This report also provides the Committee with details of any high priority outstanding internal audit recommendations.	
6	Risk Management Update	27 - 52
	Purpose - To provide an update on progress in relation to risk management.	
7	Risk Management Policy & Strategy	53 - 78
	Purpose - To enable members to review the proposed risk	

management policy and risk management strategy prior to their presentation to cabinet for approval.

8 Whistleblowing Policy 79 - 98

Purpose - To update the committee on a review of the Whistleblowing Policy and highlight minor amendments.

9 Exclusion of the public

Consideration of exclusion of the public.

EXEMPT ITEMS:

(During consideration of these items the meeting is not likely to be open to the press and the public.)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part 1 of Schedule 12 A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, members are asked to decide whether, in all circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

Page nos

10 Risk Management Update - Appendix 2

- This report is not for publication because it would disclose information relating to the financial or business affairs of any particular person (including the authority holding that information) as in para 3 of Schedule 12A to the Local Government Act 1972.

Date of publication: **Monday, 13 September 2021**



Audit committee

16:30 to 18:15

13 July 2021

Present: Councillors Price (chair), Driver (vice chair, following election), Fulton-McAlister (M) (substitute for Councillor Sands (M), to end of item 8 (below)), Giles (substitute for Councillor Oliver), Haynes, Stutely (from item 5, below) and Wright

Also present: Councillor Kendrick, cabinet member for resources

Apologies: Councillors Hampton, Oliver and Sands (M)

1. Appointment of Vice Chair

RESOLVED to appoint Councillor Driver to be the vice chair for the ensuing civic year.

2. Public questions/petitions

There were no public questions or petitions received.

3. Declarations of interest

Councillor Fulton-McAlister declared an other interest in that he was a board member of the council's wholly owned company, Norwich City Services Ltd (NCSL).

4. Minutes

RESOLVED to approve the accuracy of the minutes of the meeting held on 9 March 2021.

5. Annual Report on Audit Risk and Fraud 2020-21

The head of finance, audit and risk presented the report.

During discussion the chair acknowledged the contribution of the interim internal audit manager to move away from a compliance to risk-based approach to internal audit.

Discussion ensued on the evaluation of risk and whether the risk of the pandemic was in line with what would have been expected. The executive director of corporate and commercial services said that the council as an organisation had undertaken a complete review of risk over the last year and had a very different set of data than it had previously. She referred to the council's Covid Recovery Plan and said that

funding from central government had provided the council with the resources to mitigate the risks that it had to face arising from the pandemic. The chair said that the risks on the register had been based on a flu outbreak and that the risk presented by Covid-19 had turned out much different than envisaged. No council would have anticipated this risk or had the mitigations in place to deal with this new disease.

A member referred to Appendix A and asked whether actions due to be completed in July, in relation to the internal audit reviews of Information Security and GDPR and Contract Management – Housing Repairs and Responsive Maintenance, were on course. Officers confirmed that they would approach the service leads for a written progress update for members outside the meeting. The chair asked that reasons for any delay were provided.

The vice chair referred to the table in paragraph 20, which sets out the risk priorities of the audit work conducted in 2020-21 and asked how these figures compared with the previous year. Members were assured that the data for the previous year could be provide and that there had been no lapse in controls during the pandemic. Appendix B provided the definitions of the audit assurance ratings and the risk priorities.

During discussion a member referred to the internal audit review of Equalities Duties and expressed an interest in seeing the project and action plan that was currently being developed and commenting on the “high priority” for the policy to be published on the Equality section of the website. The chair referred to the comments at the previous meeting of Councillor McCartney-Gray, who had asked that the actions were reviewed after six months and said that he also would be interested to see the action plan as there could be implications for the work of the council.

During discussion on the internal audit’s work on Anti-Fraud and Corruption, the executive director of corporate and commercial services explained that she could not go into the specific details of individual cases. The council had a responsibility to report incidents of money laundering or fraud to the National Crime Agency. The agency would then determine whether there was a case for further investigation. Members were assured that in such cases, the council conducted a full internal review before referral to the National Crime Agency and complied with government guidance.

The chair commented on the internal audit plan for 2020-21 and the internal audit opinion of “reasonable” was good. The committee had expressed its concerns about the audit reviews of contract management and policies and procedures where limited assurance had been given and the wider impact that this could have on the council and its services. The audit opinion was caveated by the ongoing work on risk management by the corporate leadership team across the council and would be reviewed by the committee twice yearly. It was appropriate for the committee to consider the corporate risk register at its September meeting because of the cycle of management reports that fed into it. He drew members’ attention to paragraph 42 of the report and said that the new internal audit arrangements would continue to provide support to officers to comply with the action plans and that he hoped that any outstanding works would be carried out quickly.

RESOLVED,

- (1) having considered the annual Internal Audit report and opinion, to note the work of Internal Audit team for 2020-21;
- (2) record the committee's gratitude to Gavin Jones, interim internal audit manager (2020 -21);
- (2) ask the executive director corporate and commercial services to provide members with:
 - (a) progress reports on any outstanding actions due by the end of July in relation to the internal audit reviews of Information Security and GDPR and Contract Management – Housing Repairs and Responsive Maintenance;
 - (b) circulate copies of the Equality Duties action plan when available;
 - (c) provide the comparative data on recommendations raised from audit work conducted in 2019-20.

6. Draft Annual Governance Statement 2020-21

The head of finance, audit and risk introduced the draft Annual Governance Statement (AGS) 2020-21 and advised members that the action plan would be updated throughout the year.

The chair commented that the action plan was a fresh approach and a welcome addition to the AGS and showed the council's performance and direction of travel. It was a front facing document and a clear reflection of the council.

RESOLVED to agree that the draft Annual Governance Statement is consistent with the committee's own perspective on internal control within the council, plus the governance issues and actions.

7. Draft Statement of Accounts 2020-21

The head of finance, audit and risk gave a detailed presentation of the report and the attached Draft Statement of Accounts 2020-21. The statement would be signed by the executive director of corporate and commercial services (S151 officer) by the end of July. Members would have a further opportunity to review the accounts when the audited accounts came back to committee later in the financial year.

The executive director of corporate and commercial services thanked the head of finance, audit and risk explained that it had been her decision not to give members training on the statement of accounts until the accounts had been audited. She thanked the head of finance, audit and risk and her team for working tirelessly to produce the accounts to meet the statutory timeframe for the publication of the accounts in what had been a challenging year. External audit would not be commencing its audit until the autumn. Councillor Kendrick, cabinet member for resources, also praised the officers for the draft accounts and said that last year had

been an exceptional one and that the figures would be different from previous years. The chair reiterated these comments and pointed out that the delay in external audit would impinge on officer time during the budget setting period of the year.

The chair commented on the statement of accounts and said that the use of earmarked reserves, as agreed at council in the 2021-22 budget, to manage future budget risks and fund support costs for the transformation change programme, was a prudent way forward. Although the government had an excuse, the delay in the reform of local government funding was frustrating and meant a further year of uncertainty about the settlement.

A member referred to page 89 of the agenda papers (page 15 of the draft Statement of Accounts) and pointed out that the captions to the diagrams needed to be switched round. He also pointed out that on page 88 (page 14 of the draft statement), second bullet point, that an “m” (for a million) should be inserted after £1.215.

A member commented on the need to find a further £11.8m of gross permanent savings over the next four years and asked what progress had been made. The executive director of corporate and commercial services said that each service had been asked to submit high level options by the end of this week. An initial update on the Medium Term Financial Strategy would be presented to cabinet in September with detailed options for 2022/23 presented in a report to cabinet in November.

The chair commented on the reduced income from car parking and commercial rents and said that the council would need to diversify as it could not rely on government funding to bale the council out in future years.

RESOLVED to:

- (1) record the committee’s gratitude to the head of finance, audit and risk and the finance team for their work in preparing the Statement of Accounts in this challenging year and meeting the statutory deadline;
- (2) note the draft Statement of Accounts 2020-21;
- (3) ask the head of finance, audit and risk to note the amendments to pages 14 and 15 as minuted above.

8. Annual External Audit Plan 2020-21

(Mark Hodgson, director Ernst & Young (the external auditor), attended the meeting for this item.)

The external auditor presented the Annual External Audit Plan 2020-21. The plan sets out the audit risks and the audit evidence required to provide an audit opinion on the financial statements 2020-21. The concept of materiality as set out on page 240 of the agenda papers (or page 8 of the external audit plan) was consistent with previous years. Uncorrected misstatements over £170k would be reported to the audit committee. The audit risks and areas of focus as set out on page 237 of the agenda papers (or page 5 of the external audit plan) were consistent with the

previous years but included a new significant risk around the accounting for Covid-19 related government grants. Members were reminded that the auditor's responsibility for reporting Value for Money considerations had changed under the 2020 Code. The auditor now had to do a risk assessment and report by exception. It was proposed to complete the audit in six weeks from 15 November 2021 and the audit results report would be reported to the January meeting of the audit committee.

The chair commented on the audit plan and drew members' attention to the audit strategy and whilst not doubting the integrity of the officers, pointed out that it was important that external audit tested for misstatements to ensure that there was no management override of controls. The valuation of the council's non-current assets needed to be accurate because of the large values involved. The inclusion of Norwich City Services Ltd (NCSL) in the group accounts was a good move as it would be required in the 2022-23 accounts. The assessment of the council as a going concern was an important piece of work.

During discussion on the fees the chair and vice chair commented on the need for external audit to provide a robust assessment of the financial statements, which required skill and supported the members and council. The external auditor said that he considered that the planned fees were set at the right level for an authority of this size and the level of risk as identified in the plan.

The chair then commented on the committee's frustration at the timetable set for the audit of the financial statements. The external auditor said that he shared members' frustration and that he would like to provide an audit opinion within the statutory timescale. Public sector external audit was a broken system. The fees had been set too low and the time allowed for the audits was insufficient. This had led to audits overrunning and had set back the proposed timetable of audits for the following year. Then Covid-19 had made a further impact, with 53 per cent of local councils' financial statements for 2019-20 not being signed off by the deadline of 30 November 2020. It was therefore proposed that a phased plan would get the external auditors back on track this year. He had promised officers that the audit would take place at the end of this year and over a six-week period. He apologised for this situation. In reply to a question, he explained that the scheduling of the audits was not based on whether the council had a good or bad audit previously. The proposed plan of audits had been issued in February and councils had been advised that swaps with other councils would be allowed but there had been no take up of this offer.

A member referred to the comment in the external audit plan that it was not possible to quantify the impact of Covid-19 and asked whether there was a limit on what these fee implications would be. The external auditor said that the increase in fees had not been approved by the Public Sector Audit Appoints (PSAA). The executive director of corporate and commercial services needed to agree the fee increase with the PSSA on behalf of the council. There would need to be sufficient work on the impact of Covid-19 for an audit opinion to be made. The executive director of corporate and commercial services said that the council's finance team and the external audit team met regularly and discussed the issues that could arise through the audit and where necessary put in internal resources to address these before the financial statements were submitted. Post audit, the best outcome was to make as few changes as possible.

In reply to a question, the external auditor said that he considered that approval of the statement of accounts and the audit results report should be available for the committee's meeting in January 2022. This could not be guaranteed if extensive testing was required during the audit.

The vice chair expressed concern that fees for external audit had not yet been paid. The executive director of corporate and commercial services explained that provision had been made for the payment but clarity on the increased schedule of fees was required from the PSAA before the council made a payment.

In reply to a member's question, the external auditor explained that estimated timescale of the audit was on the premise that it would be conducted remotely. There was no reason to stop face to face portals, as it had proven to be a success and provided sufficient assurance to form an audit opinion.

The chair then referred to the audit plan and commented that it was important that the auditors worked with valuers to ensure the correct assessment of the council's property, plant and equipment. He considered there was an inherent risk to the council from the group accounts and was pleased that NCSL would be included this year. With regard to Norwich Regeneration Limited (NRL), he expected that external audit would liaise with the company's auditors about any recommendations arising from the audit of the accounts. In conclusion, the chair referred to the discussions between external audit and the finance team on the revised going concern assessment in advance of the end of the audit would provide management with useful feedback.

RESOLVED to agree the approach and scope of the external audit as proposed in the annual external audit plan 2020-21.

(Councillor Fulton-McAlister left the meeting at this point.)

9. Draft Annual Report of the Audit Committee 2020-21

The chair introduced the report and said that it was a true reflection of the work of the committee over the last year.

RESOLVED to approve the content of the annual audit committee report and recommend it to council for adoption.

10. Exclusion of the public

RESOLVED to exclude the public from the meeting during consideration of the items *11 below on the grounds contained in the relevant paragraphs of schedule 12a of the local government act 1972 (as amended).

***11. Internal Audit Service Provision (paragraph 3)**

(Faye Haywood, head of internal audit, South Norfolk Council, attended the meeting for this item.)

The head of finance, risk and audit presented the report.

During discussion members commented in support of the proposed arrangements for internal audit service provision and sought confirmation that, as with any contract for a service, it would be monitored and performance kept under review.

RESOLVED to note the proposed short and long term arrangements for the delivery of an internal audit service.

CHAIR



Committee Name: Audit

Committee Date: 21/09/2021

Report Title: Internal Audit Q1 Update

Portfolio:	Cllr Paul Kendrick
Report from:	Internal Audit Manager – Norwich City Council
Wards:	All Wards
OPEN PUBLIC ITEM	

Purpose

This report reviews the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2021/22 during the period 1 April to 10 September 2021.

This report also provides the committee with details of any high priority outstanding internal audit recommendations.

Recommendation:

It is recommended that members note the progress in delivering the internal audit plan of work within this period and management progress against delivering outstanding high priority internal audit recommendations.

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report helps to meet all above corporate priorities.

Report Details

1. The Audit Committee receive updates on progress made against the annual internal audit plan. This report forms part of the overall reporting requirements to assist the council in discharging its responsibilities in relation to the internal audit activity.
2. The Public Sector Internal Audit Standards require the Chief Audit Executive to report to the Audit Committee the performance of internal audit relative to its agreed plan, including any significant risk exposures and control issues. To comply with the above the report identifies:
 - (a) Any significant changes to the approved Audit Plan;
 - (b) Progress made in delivering the agreed audits for the year; and,
 - (c) Where applicable will provide any significant outcomes arising from completed audits.
3. The Public Sector Internal Audit Standards also require the Chief Audit Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the council to determine.
4. This report therefore provides the committee with details of high priority recommendations that are outstanding.

Consultation

n/a for this report.

Implications

Financial and Resources

Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2019-22 and Budget.

Legal

None applicable for this report.

Risk Management

Risk	Consequence	Controls Required
Failure to undertake the Annual Internal Audit Plan could result in the Head of Internal Audit not being able to provide an annual opinion.	Reductions in Internal Audit coverage could permit on-going weaknesses in the internal control environment at the Council not being detected and reported upon.	Progress against completing the annual internal audit plan is reported to the Audit Committee in accordance with the Public Sector Internal Audit Standards.

Other Options Considered

n/a for this report.

Reasons for the decision/recommendation

The Committee receives this report in conformance with the Public Sector Internal Audit Standards.

Background papers: n/a

Appendices: Appendix 1 Internal Audit Quarter One Update.

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Eastern Internal Audit Services



Norwich City Council

Progress Report on Internal Audit Activity

Period Covered: 1 April 2021 to 10 September 2021

Responsible Officer: Faye Haywood – Internal Audit Manager Norwich City Council

CONTENTS

1. INTRODUCTION..... 2

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN 2

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK 2

4. THE OUTCOMES ARISING FROM OUR WORK 2

5. FOLLOW UP 3

5.2 Status of agreed actions 3

6. FRAUD AND ANTI CORRUPTION..... 3

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK..... 5

APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS..... 7

APPENDIX 3 – OUTSTANDING HIGH PRIORITY RECOMMENDATIONS 2019-20 8

1. INTRODUCTION

- 1.1 This report is issued to assist Norwich City Council in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues. The frequency of reporting and the specific content are for the Council to determine.
- 1.3 To comply with the above this report includes:
- Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - Any significant outcomes arising from those audits where applicable

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 At the meeting on 9 March 2021, the Annual Internal Audit Plan for the year was presented to the Audit Committee. Since that meeting, there have been no significant changes made to the agreed plan.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 In summary 68 days of programmed work has been completed, equating to 13% of the Internal Audit Plan for 2021/22.
- 3.3 The Internal Audit team has concluded all work from 2020/21 and is beginning to catch up on 2021/22 work following a later than normal start to the plan. We expect all quarter two allocated work to be in draft report stage by the end of September 2021.

4. THE OUTCOMES ARISING FROM OUR WORK

- 4.1 On completion of each individual audit an assurance level is awarded using the following definitions:

Opinion		Definition
Substantial Assurance		Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance		Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Limited Assurance		There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance		Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

- 4.2 Recommendations made on completion of audit work are prioritised using the following definitions:

Risk Priority	Definition
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

5. FOLLOW UP

- 5.1 The Public Sector Internal Audit Standards require the Chief Audit Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the Council to determine.

5.2 Status of agreed actions

As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit team on a regular basis and reported through to this Committee. Verification work is also undertaken for those recommendations that are reported as closed.

Appendix 2 to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken to enable the Committee to easily identify historical outstanding recommendations. The table also identifies outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding within the period covered by the report.

- 5.3 At the request of the Audit Committee Chair, progress against medium priority recommendations will be reported to the Committee in the future. The internal audit team will begin to work with each Service Area to prepare the data for reporting.
- 5.4 For 2019/20 a total of four high priority recommendations are outstanding. Three recommendations relate to the Information Security Review and one relates to the Contract Management audit. These outstanding recommendations have previously been reported to the Committee.
- 5.5 Further information has been requested from the responsible officers regarding high priority outstanding recommendations and is provided at **Appendix 3**.

6. FRAUD AND ANTI CORRUPTION

- 6.1 The council participates fully in a national data matching exercise known as the National Fraud Initiative (NFI) which is run by the Cabinet Office to prevent and detect fraud. Data matching, between public and private sector bodies, flags up inconsistencies in data that may indicate fraud and error and helps Councils to complete proactive investigations.

The NFI is conducted every two years and involves data matching across a number of datasets from over 1,200 participant organisations from across the public and private sectors. A data

extraction exercise has been undertaken. Data matches have been received and are reviewed by service leads on a risk basis.

Additional datasets were requested in respect of the various (1st tranche) government business support grants, paid to businesses to alleviate the effects of Covid 19, as a drive to identify illegitimate grant claims and errors. 39 data matches were received back from NFI in May 2021 and are being reviewed on a risk basis.

As a result of post payment assurance work, a number of cases have been referred to the Anglian Revenue Partnership Fraud team for further review. Recovery or referral actions have and will be taken in line with the recovery guidance issues by BEIS.

There have been no new reported cases of fraud or whistleblowing issues that required an audit investigation within this reporting period.

The Internal audit has reviewed the Whistleblowing policy at the request of the Audit Committee Chair. A report containing results of this review are provided elsewhere on the agenda.

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations			Date to Committee
							High	Medium	Low	
Quarter 2										
Risk Management	NC2206	15	15	1	Audit scoped research complete.					
Health & Safety	NC2204	15	15	7	APM issued on 06.08.21 and approved by service. Testing in progress.					
IR35 Compliance	NC2205	10	10	6	APM issued 24.8.21 Testing in progress.					
Grants assurance DFG	NC2201	5	5	5	Completed signed certification issued					n/a
Grants assurance Green Homes	NC2202	10	10	2	Service contacted with initial questions.					
Business Support Grants	NC2203	20	20	4	APM issued 13.8.21 Testing in progress.					
TOTAL		75	75	25						
Quarter 3										
Payroll	NC2207	10	10	0	Scheduled					
Housing Rent/Arrears	NC2208	15	15	0	Scheduled					
Housing Benefits	NC2209	15	15	0	Scheduled					
Council Tax	NC2210	10	10	0	Scheduled					
National Non Domestic Rates (NNDR)	NC2211	10	10	0	Scheduled					
Accounts Payable	NC2215	10	10	0	Scheduled					
Debt Recovery	NC2216	10	10	0	Scheduled					
Treasury Management	NC2212	10	10	0	Scheduled					
Environmental Services	NC2213	20	20	0	Scheduled					
Grants assurance Green Homes	NC2202	5	5	0	Scheduled					
TOTAL		115	115	0						

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations			Date to Committee
							High	Medium	Low	
Quarter 4										
Capital Accounting and Programme Management	NC2214	30	30	1	Capital Accounting and Programme Management Audit Combined. APM with CLT for approval.					
Social Housing Delivery Programme	NC2217	20	20	0						
Towns Fund Deal	NC2218	20	20	0						
Capital Accounting and Programme Management				0						
New Financial Management Code	NC2220	10	10	0						
TOTAL		80	80	1						
IT Audits										
IT Governance		10	10	0	TIAA Instructed, APM being developed					
Housing & Tenancy Application		10	10	0	TIAA Instructed, APM being developed					
To be determined		10	10	0						
TOTAL		30	30	0						
Consultancy										
Anti Fraud and Corruption - NFI		20	20	0						
Anti Fraud and Corruption - Investigations		10	10	0	None raised for IA attention					
Information Governance Group		5	5	1	Ongoing support					
Resources, Performance & Delivery Board		5	5	1	Meeting attended, information provided.					
Joint Ventures Insourcing		45	45	0						
New Housing System		10	10	0						
Consultancy Contingency		15	15	7	BSG Support					
Risk Management		15	15	6	Preparing Q1 update papers					
Data Breach Response		5	5	0	None raised for IA attention					
Annual Governance Statement		10	10	8	Supporting the preparation of the AGS.					
Audit Management Duties		45	45	9	Ad hoc advice, reports reviews					
TOTAL		185	185	32						
Follow Up										
Follow Up		20	20	5						
TOTAL		20	20	5						
TOTAL		505	505	68			0	0	0	
Percentage of plan completed				13%						

APPENDIX 2 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

This appendix shows outstanding recommendations that are high priority only.

		Completed between 1 April 2021 to 10 September 2021			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not Yet Due for implementation		
		High	Medium	Low	High	Medium	Low	High	Medium	Low		High	Medium	Low
Audit Area	Assurance Level													
2019/20 Audits														
Contract management - Housing repairs & responsive maintenance	Control environment: Limited Compliance: Limited				1						1			
Commercial Property Investment Strategy	Control environment: Good Compliance: Good													
Information Security and GDPR	Control environment: Satisfactory Compliance: Limited				3						3			
Payroll	Control environment: Satisfactory Compliance: Substantial													
Scheme of Delegation compliance	Control environment: Good Compliance: Substantial													
2020/21 Audits														
Contract Management - Waste Services	Limited													
Equality Duties	Limited													
High level cyber security check	Reasonable													
Key Policies & Procedures	Limited													
Licensing	Reasonable													
Northgate pre-implementation (Core phase)	Reasonable													
Total		0	0	0	4	0	0	0	0	0	4	0	0	0

APPENDIX 3 – OUTSTANDING HIGH PRIORITY RECOMMENDATIONS 2019-20

Audit	Recommendation	Agreed Action	Responsible officer	Agreed Date	Status/Comments
Information Security & GDPR	<p>The Information Asset Register (IAR) has not been updated since 2016 and has not been approved by the Corporate Information Assurance Group (CIAG). Information Asset Owners were not aware of the assets they owned.</p> <p>The Register does not have GDPR considerations as it was last updated prior to the regulation coming into place.</p> <p>The council should review and update the Information Asset Register on an annual basis.</p>	In 2019 we worked on the schedule of processing and decided to update the IAR in 2019. This will be commenced as planned and will include GDPR considerations.	Data Protection & Security Team Leader	June 2021	<p>89 review requests were sent to officers within the council – one request for each team. Currently 4 are still outstanding and have been last chased on 18/06/21.</p> <p>As at 29/07 there is only one outstanding return – the ASB service. However, there are mitigating circumstances (restructure and resource issues within the management team). Once on a firmer footing we will meet with them in person to complete a full review of their return, but for now we are satisfied of the previous return as an accurate reflection.</p> <p>The asset register has now been reviewed in its entirety.</p> <p>Evidence requested by internal audit, pending verification.</p>
Information Security & GDPR	The council should present the IAR to the CIAG on an annual basis, once updated, to gain official approval for the document.	NB – a newly appointed experienced data protection officer is now assisting with the completion all the outstanding actions from this GDPR audit	Data Protection & Security Team Leader	Dec 20 Apr 21 Oct 21	Scheduled for Autumn 2021 CIAG
Information Security & GDPR	<p>The council does not currently have the capability to remove certain records according to their own retention schedule, due to the limitation of key systems.</p> <p>The Schedule of processing is not fully completed</p>	This is well known and published on our website for customers. IT is working with software suppliers to identify their disposal functionality, which will be implemented over the coming year.	Data Protection Security Team Leader and IT	Mar 21 Sep 23	<p>IT suppliers were contacted by LGSS IT. Some have come back with their timelines for compliance.</p> <p>There is no date for this as we are entirely dependent on the software providers working on a solution, but realistically this</p>

Audit	Recommendation	Agreed Action	Responsible officer	Agreed Date	Status/Comments
	The council should push to replace software that prohibits the adherence to the schedule of processing retention rules with their IT partners.	The schedule of processing is a working document and is continually being updated. It will be reviewed at CIAG.			<p>will be a long-term project – likely to be at least 5 years. As software is upgraded, which includes ability to remove data, this will be tested.</p> <p>Currently, we have software for Civica, which is being deployed, and Northgate revs and bens which was being tested, but has found issues and so testing has been suspended. For new software provisions such as E5 and iTrent, the ability to follow retention guidelines has been stated in the specification.</p>
Contract management - Housing repairs & responsive maintenance	The council should introduce sample check processes in-house, including drilling down to source data and confirming competitiveness of rates, to validate reports provided by NPSN, or alternatively obtain independent verification.	<p>Significant work has progressed in partnership with NPSN to establish and agree a revised set of key performance indicators (KPI's) that reflect the requirements of the council.</p> <p>These have been incorporated into the NPSN Operational Plan for 2020/21 and are monitored at the joint Liaison Meetings.</p> <p>The housing business intelligence team (BIT) were deployed to support the Community Hub from March until August and since returning have been focused on restoring reporting back to business-as-usual. We have been working closely with NPS to do so.</p> <p>NNB performance data relating to the new KPI framework is being reviewed</p>	Head of Neighbourhood Housing	March 2021 July 2021 October 2021	<p>This one action was split in two by service:</p> <p>1) Although no specific actions/projects initiated to ensure IT systems used to record contractor data are fit for purpose ensure the requirements have been incorporated into work on implementing the new housing IT system.</p> <p>Update officer A: Full review of existing processes has been carried out and pinch points have been mitigated where appropriate.</p> <p>The design is complete and implementation is now in progress.</p> <p>Internal Audit verification of evidence required.</p> <p>2) Continue to review any remaining KPI definitions derived from contractor data with NPS to ensure all definitions are clear,</p>

Audit	Recommendation	Agreed Action	Responsible officer	Agreed Date	Status/Comments
		<p>and monitored. In line with the council's corporate reporting there was a pause on data analysis due to the impacts of Covid 19 when employees were redeployed to deal with the pandemic.</p> <p>Neighbourhood housing services have responsibility for undertaking periodic quality checking as agreed, documented above, and are responsible for reporting this within the Council.</p> <p>Under performance and data gaps are scrutinised and challenged at a senior level as part of regular management and liaison meetings.</p> <p>Performance is also reviewed by the two company boards, who receive reports on company performance and finance</p>			<p>unambiguous and in line with contracted obligations.</p> <p>Update officer: Ongoing. Regular contract negotiations continuing with NPS.</p>



Committee Name: Audit

Committee Date: 21/09/2021

Report Title: Risk Management Update

Portfolio:	Councillor Kendrick
Report from:	Executive director of corporate and commercial services (S151 officer)
Wards:	All wards
OPEN PUBLIC ITEM	

Purpose

To provide an update on progress in relation to risk management.

Recommendation:

To note the risk management report.

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report meets all the corporate priorities

This report addresses healthy organisation strategic action in the Corporate Plan

Report Details

Background

1. Risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced.
2. The purpose of this report is to provide an update on the progress made in embedding the council's risk management process and present the Q1 Corporate Risk Register. The report forms part of the twice-yearly updates to the Audit Committee on risk management, enabling the committee to fulfil its oversight function.
3. The council identified a need to reconstitute its arrangements for managing risk as a priority action included in the 2020 Annual Governance Statement. In 2020/21 a full refresh of the corporate risk register was undertaken, with internal audit working with directors and the Corporate Leadership Team through a mix of discussion and workshops to reset risk registers from scratch.
4. The purpose of this report is to provide an update on the progress made in embedding the council's risk management process and present the Q1 Corporate Risk Register.

Actions Taken

5. Several actions have been since the last report to further enhance and embed the risk management process. These include:
 - Ensuring the corporate risk register is fully populated with clear risk owners and actions identified.
 - Re-aligning the corporate risk register to the new senior management structure.
 - Incorporating the review of the corporate risk register into the quarterly corporate performance review process and timetable.
 - Reviewing the risk management strategy and policy. The updated draft of the document is a separate item on the committee agenda.
6. Whilst significant progress has been made, further work needed to embed the risk management approach across directorates and service planning. This should ensure a systematic and fluid process exists to feed risks up to the corporate risk register where warranted.
7. Directorate-level risk registers are in place which mirror the format of the corporate risk register, but further work is needed to fully populate and review these risks with teams. This requirement was captured as part of the 2020/21 Annual Governance Statement action plan and is being monitored through the corporate leadership team.
8. The internal audit plan for 2021/22 includes a review of the risk management arrangements. The outcome will be reported through the Committee as part of the normal reporting arrangements.

Q1 Corporate Risk Register

9. The corporate register has been updated to reflect feedback received from the action owners and reviewed by the Corporate Leadership Team. This is shown in full in **Appendix 1** and summarised in **Table 1**. It continues to reflect the considerable challenges and risks associated with Covid-19 and its impacts on the financial resilience of the council and its ability to support the community through continuing times of uncertainty.
10. No risks have been adjusted upward regarding their current risk score and no directorate risks have been highlighted for possible escalation.
11. One new risk has been developed regarding the council's approach to waste and recycling and included in the Corporate Risk Register (Risk 16). No risks have been adjusted upward regarding their current risk score and no directorate risks have been highlighted for possible escalation.

Table 1: Summary of Corporate Risk Register

	Current residual risk			Risk Direction
	Impact	Likelihood	Combined	
R1: Council Funding Short Term	4	2	8	↔
R2: Council Funding Medium-Long Term	5	3	15	↔
R3: Commercialisation	4	2	8	↔
R4: Health & safety in the workplace	4	2	8	↔
R5: Further Waves of Covid-19	5	4	20	↔
R6: Impact of Brexit	3	5	15	↔
R7: Business Continuity/Emergency Event	4	3	12	↔
R8: Sustained increase in homelessness and temporary accommodation	3	3	9	↓
R9: Cyber Security & GDPR compliance	4	3	12	↔
R10: Joint Venture contracts	3	4	12	↔
R11: Failure to fulfil statutory or legislative responsibilities - safeguarding	5	3	15	↔
R12:	Removed due to confidentiality			
R13: Occurrence of a significant event	Merged with R7			
R14: Antisocial behaviour	4	4	16	↔
R15: Contract Management – Governance	4	3	12	↓
Risk 16: Waste & Recycling	4	3	12	New

Role of Audit Committee

12. CIPFA's Position Statement on Audit Committees in Local Authorities and Police identifies the following core functions in relation to oversight of risk management arrangements:

- ensuring there is assurance over the governance of risk and top-level ownership and accountability

- keeping up to date with the organisation's risk profile and the effectiveness of risk management actions
- monitoring the effectiveness of risk management arrangements and supporting the development of good risk management practice.

Consultation

13. The Corporate Risk Register has been reviewed by the Corporate Leadership Team. The full risk register will be considered at Cabinet on 8 September 2021.
14. This report forms part of the twice-yearly updates to the Audit Committee on risk management, enabling the committee to fulfil its oversight function.

Implications

Financial and Resources

15. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2019-22 and Budget. There are no proposals in this report that would reduce or increase resources.

Legal

16. There are no specific legal implications arising from this report.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	No direct implications.
Health, Social and Economic Impact	No direct implications.
Crime and Disorder	No direct implications.
Children and Adults Safeguarding	No direct implications.
Environmental Impact	No direct implications.

Risk Management

Risk	Consequence	Controls Required
The full corporate risk register is provided as an appendix to the report. The report itself does not pose an operational, financial, compliance, security, legal, political or reputational risk to the council.		

Other Options Considered

17. There are no alternative options to this report.

Reasons for the decision/recommendation

18. This report forms part of the twice-yearly updates to the Audit Committee on risk management, enabling the committee to fulfil its oversight function.

Background papers:

None


Appendices:**Contact Officer:**


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Appendix 1: Corporate Risk Register Q1 2021/22

Risk: 1. Council Funding Short Term (covid-19 related)			Owner: Executive director of corporate and commercial services				Category: Finance & Resources		Risk Direction:	
			Target Risk				Current Residual Risk			
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">• Council's financial position goes into significant deficit resulting in reserves falling below the prudent minimum level• Insufficient general and earmarked reserves to address shortfall• Or use of earmarked reserves impacts on ability to deliver other council projects (invest to save funded)• Non-delivery of in-year saving to mitigate financial deficit	<ul style="list-style-type: none">• Initial indications were that in 2020/21 the general fund will overspend by £7.2 million without further action.• Relying solely on the general fund reserve to offset this would leave the reserve at an unsustainable level and below the £4.3m prudent minimum level.• Without significant action and consideration of reserves the council will be at serious risk of being in a S114 position.• Without a clear plan of action the council will have to begin engaging with CIPFA and the MHCLG.	<ul style="list-style-type: none">• £3.9m unallocated reserves available to offset deficit whilst maintaining prudent level of reserve.• As at the end of 31/3/21 the Council was awarded £2.8m of emergency Covid-19 funding from government. (£0.95m for 2021/22)• Services have reviewed the capital programme and submitted opening briefs which were approved Feb 2021.• Projects have been prioritised for review• Corporate review of all 2020-21 revenue budgets to identified areas for immediately reducing in-year expenditure through additional controls on non-essential spend and recruitment.	Jun 20	4	2	8	Manage	4	2	8
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Continue to lobby Government to fully compensate Norwich against the financial impacts of C19'		Chief Executive		Ongoing	<ul style="list-style-type: none">• The Leader of the Council has written to the Prime Minister and Chancellor asking for the council to be fully compensated• The Leader has also lobbied the local MPs• Both the Leader and CEO are in regular discussion with other Norfolk Leaders and CEOs to lobby on this point, and are active members of the Key Cities network and are lobbying through that route• The CEO has been in touch directly with the Chief Executive of the LGA to lobby for a fair settlement for Norwich and the wider sector.• The CEO has also published articles in the MJ to lobby Government on this point• The s151 officer ensures that all financial returns setting out the impact of covid on the council's budget are sent to MHCLG in a timely manner.		
Comments:										


Risk: 2. Council Funding Medium- Long Term			Owner: Executive director of corporate and commercial services				Category: Finance & Resources	Risk Direction:		
				Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">• Council fails to identify and plan for enough savings over the medium term.• Non-delivery of identified savings• New national funding arrangements reduce government funding (Fairer Funding, Business Rates Retention, New Homes Bonus)• Economic uncertainty increase volatility on business rates and council tax• Risk of inflation on costs and pension deficit increases.• Lack of capital resources to fund the council's asset base – implications	<ul style="list-style-type: none">• Councils financial position goes into deficit, reducing confidence in financial strength and governance• Unplanned use of reserves reducing capacity and flexibility and compromising stability.• Section 114 notice• Government intervention• Failure to deliver Council Plan• Adverse comments by poorer perception of Council by stakeholders.• Overspends arising from activity not in service plans.	<ul style="list-style-type: none">• Reviewed all the assumptions within the MTFS and updated.• Corporate budget planning guidance issued• CLT review of budget options and MTFS refresh• Cabinet give due consideration to latest forecasts and options to close any gap identified during the review of MTFS assumptions.• Consultation will be completed where required for all proposals approved in Feb 2021 budget.• Restructure senior management team to improve service delivery and drive forward transformation programme.• Started process of service reviews to generate efficiencies• Utilising invest to save reserve to deliver transformation programme• Refresh cabinet briefing on the MTFS.	Jun 20	5	2	10	Manage	5	3	15
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Cabinet approve the revised MTFS at Full Council		Executive director of corporate and commercial services CLT		Complete	Total short and long term savings included in the 2021/22 budget of £3.95m. Updates from service areas highlight 18% at risk (£0.71m) with the risk reserve set at £0.70m.		
			All budget proposals are monitored on a monthly basis		Executive director of corporate and commercial services		Monthly			
			MTFS refresh to be reported to cabinet				Oct 21			
			Comments: The Council is working towards a sustainable budget that does not utilise reserves. Current plans incorporate the use of reserves to bring the general fund reserve back to the risk assessed minimum requirement.							

Risk: 3. Commercialisation (investment property, NRL, other commercial income sources)			Owner: Executive director of corporate and commercial services				Category: Finance & Resources		Risk Direction:	
				Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">• Lack of depth of skills and knowledge to manage commercial activities (reliance on several key staff)• Uncertainty over the future government direction on commercial activity (PWLB consultation ongoing)	<ul style="list-style-type: none">• NRL – losses in the company result in additional revenue costs to the General Fund• Non-delivery of budgeted income levels to support general fund• Ineffective management of the property portfolio leads to reducing income and poor use of assets	<ul style="list-style-type: none">• Asset Management Strategy• Commercial Strategy• Addressed recommendations from the internal audit review of NRL governance.• Completed a thorough review of the Council's approach to housing commissioning and structure.• Independent assurance sought on NRL business plan for 21/22 prior to approval of business cases for development proposed in to.• Shareholder panel for NRL and NCSL created	Jun 20	4	2	8	Manage	4	2	8
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Following Cabinet approval, new and revised structures will be put in place.		Executive director of development and city services		Sept 21	New and revised structures – Recruitment of delivery director completed. Recruitment of rest of team ongoing.		
			Produce a new asset management strategy.		Executive director of development and city services		Aug 21	Production underway. Timetable has slipped due to be complete during the autumn.		
Comments: The council stopped its programme of commercial property acquisitions in March 2020 following changes to the Public Works Loan board lending terms. Emerging guidance in this area will continue to be monitored.										


Risk: 4. Health & safety in the workplace			Owner: Executive director of development and city services				Category: Finance & Resources		Risk Direction:			
Description/Triggers	Impact	Mitigation	Target Risk				Current Residual Risk					
			Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score		
<ul style="list-style-type: none">Covid-19 and risk of spreading infection across the workplace.	<ul style="list-style-type: none">New way of working has the potential to change the council's culture and make it a more modern organisation which supports a flexible approach to work/life balance for staff.Impact of Covid-19 and duties to ensure social distancing and requirements to ensure safety in the workplace are addressed	<ul style="list-style-type: none">Improved IT capabilities to allow more staff to work from home were developed and rolled out quickly, which has enabled the majority of staff to work from home since March.Virtual council meetings are being held in order to limit the risk of spreading the disease through close contact, although the organisation will revert to 'face to face' meetings in the council chamber and committee rooms when it is appropriate to do so.Hand sanitiser dispensers introduced across workplace.Desk policy to ensure limited capacity adhered to & 2m social distancing observed.Mandatory e-learning modules for staff.Implemented changes to internal layout and other safety measures within city hallMental health working group in place to support staff wellbeing & resilienceCovid Risk AssessmentProvision of PPERisk assessments written for F2F meetings in City Hall	May 20	4	2	8	Manage	4	2	8		
			Risk Control Action									
			Action		Owner		Target Date	Update				
			City Hall Recovery Group formed		Exec Director of Communities		Ongoing	Monthly meetings taking place being chaired by Exec Director				
			IT roll out to support agile working		Infrastructure support manager		Completed					
			Accommodation assessment		Facilities Team Leader		Ongoing	Assessment of room/ desk occupancy and city hall capacity ongoing				
			Production of simplified service area risk assessments		HoP+RS and other HOS		TBC	Ongoing				
			Comments: <ul style="list-style-type: none">City Hall Covid Recovery Group formed to look at workplace issues to ensure compliance with government guidance. Now meeting monthly.Service area recovery plans completed, and summary report produced.14 Mental Health First Aiders have been trained to provide a first point of contact across the organisationRisk assessments written for face-to-face meetings in the council chamber and other meeting rooms									

Risk: 5. Further waves of Covid-19:			Owner: Chief Executive				Category: Customer		Risk Direction:	
				Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">Adverse impacts associated with further restrictions and pressures associated with Covid-19 that will have on the city, council and local services	<ul style="list-style-type: none">Lack of government funding to support local businesses resulting in local business failuresEconomic uncertainty increase volatility on business rates and council taxInsufficient government funding to local authorities to support the delivery of additional Covid -19 related activitiesFinancial pressure due to down turn in income leading to financial instabilityIncrease in unemploymentIncrease in claims for benefits and consequential impact on staff workloads	<ul style="list-style-type: none">Delivery of business support grants and self isolation support paymentsOngoing work with the Norwich BID and Norfolk Chambers of CommerceTCG and SCG have been stood down: Health Protection Board, attended by Chief Executive, providing oversight, with relevant NRF cells still operatingLocal Coordinating Group re-established to oversee partnership response and internal Covid Facilities Group re-established for internal matters,C-19 Support Officer provided in the city to give and advice and support to businesses and the publicCentral Covid team established to provide coordinated oversight of marshalling, testing, vaccinations, contact tracing and self -isolation.Continued funding of Financial Inclusion Consortium and bids to Community Renewal Fund as mitigation to economic and deprivation risksClose management of COMF budgets and exploration of re-charging opportunities	Jun 20	4	3	12	Manage	5	4	20
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Work with the Norwich BID, Norfolk Chambers of Commerce, police and Norfolk County Council to review and implement physical measures and signage in the city centre to support social distancing.		Executive Director of Community Services		Ongoing	New posters, signage and toolkits sent to businesses based on new comms messaging and sector specific guidance changes. Further updates will be provided based on 19 July unlocking. Awaiting data from Public Health on lack of compliance for scheduling visits		
			Use its licensing powers to support businesses – particularly those in the hospitality sector – where appropriate to vary the use of outside space, whilst ensuring that people with disabilities can move around the city safely		Executive director of development and city services		Ongoing	Business as usual delivery		
			Implementation of lessons from scenario planning via Public Health		Executive Director of Community Services		Mid July	Moving SIA work to new Covid single team Escalation route for events to LCG Coordination of additional resource requirements in the event of surge Agreed response to tourism risk is in place via transport and housing options.		
			Working via Safety Advisory Group to ensure careful scrutiny of public realm events		Executive Director of Community Services		Ongoing	New guidance produced via NRF social distancing cell and escalation routes confirmed		
			Communications		Executive Director of Community Services		Ongoing	Communications NRF cell continues with targeted comms and outreach to vulnerable groups		
			Continue to deliver grants and wider support to businesses.		Executive director of corporate and commercial services		Ongoing			


		<ul style="list-style-type: none"> Working with Local Outbreak Management plan colleagues to scenario plan and ensure response is fit for purpose 	To work effectively with partners through effective networks to minimise spread of virus, provide clarity of local message and for us to provide an effective local track and trace service	Chief Executive	Ongoing	Operational Group convened with key stakeholders including County Council Director of Public Health, East Anglia University. Action plan in place including deployment of Covid safe advisors, more visible communications e.g. regular press conferences, continued review of data to identify hotspots and continued local contact tracing system. Development of a dedicated Covid response team (NR).
Comments:						


Risk: 6. Impact of Brexit			Owner: Chief Executive			Category: Customer	Risk Direction:			
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
				Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none"> Continued uncertainty over the nature of the UK's exit from European Union. Risks associated with potential no deal scenario 	<ul style="list-style-type: none"> Public disorder events Food availability (panic buying/ stockpiling) - Increased prices for food and fuel Possible disruption to fuel supplies Staffing issues (EU nationals) Inclement weather may have increased impacts Flood season September – April (impacts on Coastal Districts – provision of mutual aid) Staffing resilience managing concurrent events (e.g. Covid, Brexit, severe weather) Potential political developments (elections/referendums) – these would place increased pressure on some district councils. Increases in environmental crimes i.e. fly tipping etc., as advised by the Environment Agency 	<ul style="list-style-type: none"> Membership & participation in Norfolk Resilience Forum (NRF) NRF multi-agency plans to deal with significant events NRF Brexit Strategy Business Continuity Plans Brexit Communications Plan National guidance/ toolkits Strategic Brexit Lead Officer 	Apr 20	3	5	15	Manage	3	5	15
			Risk Control Action							
			Action	Owner		Target Date	Update			
			Monitor the situation, awaiting further government guidance	Emergency Planning Manager/ Environmental Health & Protection Manager		Ongoing	EPM engaged with NRF EU transition working group. Continuing to monitor any impacts			
			Information sharing through NRF structures	Emergency Planning Manager		Ongoing	NRF EU Transition strategy reviewed and updated to reflect our current position.			
			Participation in NRF Brexit planning meetings	Emergency Planning Manager		Ongoing	Risk assessment reviewed and updated in the strategy. Government Reasonable Worst Case Scenarios used to inform our activities. Update from 22/4 meeting: quiet in terms of immediate impact; supply chain issues seem to be calming down from a business perspective; deadlines ahead which may present challenges (30/6). Group agreed to stand down, can be reinstated quickly if there is a need to. Issues of concern can be escalated through MAFG. 5/7 – Meetings still on pause, no intel to cause concern at present. Not directly Brexit related, media article has highlighted concerns around food supply chain due to acute shortage of HGV drivers			
			Promotion of EU Settlement Scheme	Emergency Planning Manager		Jun 21	Working with comms and service areas to proactively promote the EU Settlement Scheme. Leaflet included in council tax bills; scripts and posters shared with service areas; leaflets and posters sent to businesses; text burst sent to residents. We will continue to promote. TC – 5/7: EU Settlement Scheme closed on 30 June. The			


						<p>scheme has introduced a criteria set for late applications if there are reasonable grounds for missing the deadline. Cllr Walters sent letter to government asking for the deadline to be extended.</p>
			<p>Comments: Impacts from NRF Brexit Strategy Trade deal between the UK and EU finalised late December 2020. Proactive promotion and targeted comms to encourage EU nationals to register for EU Settlement Scheme. If individuals do not register they will become unlawfully resident, in breach of UK immigration laws and could be forcibly removed. They will not be entitled to benefits or support and classed as having No Recourse to Public Funds. Housing to consider if there are implications on housing stock and their service area. This could potentially result in greater numbers of rough sleepers.</p>			


Risk: 7. Failure to respond to a critical, business continuity or emergency planning event			Owner: Chief Executive				Category: Processes & Systems	Risk Direction:		
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
			Consequence	Likelihood	Score	Consequence		Likelihood	Score	
<ul style="list-style-type: none">• Occurrence of a significant event:<ul style="list-style-type: none">○ Loss city hall○ Denial of access to City Hall○ ICT failure○ Contractor collapse○ Supply chain failure○ Severe weather events○ Loss of power○ Sea level rise○ Fuel shortages○ Communications failure○ Pandemic• The Council, businesses and members of the public in the city will also be at risk from the local effects of climate change in the medium to long term.• Insufficient staff representation across strategic, tactical and operational levels to ensure resilience, effective response and enable full engagement within NRF structures	<ul style="list-style-type: none">• Council/service es unable to function.• Increase in demand on Council services• Vulnerable service users unable to access services• Reputational damage	<ul style="list-style-type: none">• Business continuity plans in place• Service areas Business Impact Analysis and Business Continuity Plans• Work Area Recovery location for Customer Contact• ICT Disaster Recovery Plan• Incident Management Team response to business continuity incidents.• BMG TTX - Exercise Appleyard 1 (14/12/16)• BMG TTX - Exercise Appleyard 2 (26/7/17)• Service area business continuity exercises• Insurance policies• Asset register• Emergency planning strategy in place and maintained• Incident specific response plans• Rest centre and community centre plans• Full participation in Norfolk Resilience Forum meetings• Review of NRF risk assessments and Norfolk Community Risk Register• Norfolk Emergency Response Guidance NRF multi-agency plans for specific risks• Participation in training and exercises• Good contract governance• Services areas to raise at supplier engagement meetings potential risk of contractor for early warning.• Service areas to gain knowledge of alternative suppliers that could deliver key services.	Apr 20	4	3	12	Manage	4	3	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Emergency planning arrangements reviewed and updated		Environmental Health & Protection Manager		Completed	Arrangements have been reviewed; new actions added below.		
			Business continuity plans reviewed annually, including other stakeholder BCPs where these link to council services		Emergency Planning Manager & Service Managers		Completed	Existing provisions have been reviewed; new actions added below.		
			Completion of audit review (20/2/18) actions		Executive director of development and city services		Completed	Actions completed as far as practicably possible. Outstanding queries absorbed into the action below.		
			Consider reinstating Business Continuity Steering Group for effective business continuity management to provide a mechanism for monitoring and implementing measures to enhance business resilience		Executive director of development and city services		End Dec 21	New Internal Governance Boards introduced as part of new management structure. Business continuity to be reported to Workforce Board once set up and asap with a review of all BIAs and BC Plans required Autumn of 2021.and thereafter adoption of Corporate Business Continuity Plan by December 2021.		
			Work with emergency planning team in respect to plans for elections in May 2021 and include in plans specific covid-19 planning		Democratic & Elections Manager		Completed	May 2021 elections successfully completed. Election Contingency Plan updated 6 May 2021. Sewell election 17 June to be discussed.		
			Emergency Management Strategy		Executive Director of development and city services		Sep 21	Strategy reviewed and circulated for comment. To be presented Cabinet on 8/9		
			Senior managers trained to gold, silver and bronze response levels		Emergency Planning Manager		Sep 21	New council structure will require review of existing provisions		

		<ul style="list-style-type: none"> • Links in-place to other stakeholder BCPs – e.g. Biffa and NCSL • Service areas to flag with contract managers risk of supplier collapse due to Covid or issues with supply change due to Brexit. • Completion of outstanding actions from previous EP and BC exercises • Emergency planning duty officer rota and procedures in place 	<p>Comments:</p> <p>TC - 5/7/21: Strategic emergency management training for all of CLT and Heads of Service undertaken 21 June. Gold/Silver response rota introduced to ensure resilience and cover. Elected Members role in emergency planning training undertaken on 25 June. Additional Emergency Planning Duty Officers identified and training is being delivered to further improve resilience of front-line response staff. Complete review of all rest centres is planned to ensure they are still appropriate and fit for purpose. Service Area Business Impact Analysis and Continuity Plans will be reviewed in the Autumn of 2021 to enable the wholesale review of the Corporate Business Continuity Plan. The service transformation will consider the role of a second Emergency Planning Officer (potential for a career grade post) to ensure continuity of service provision for the future.</p> <ul style="list-style-type: none"> • Ebola 2014 • Surface Water Flooding events - 2014, 2015 and 2016 • Severe weather incidents: Gales - 23/2/17; 13/9/17; 18/1/18; Snow - 26/2–2/3/18; and 16/3/18 • Coastal tidal surge mutual aid – 5/12/13; 23/11/15; 13/1/17 • Demos/marches/protests impacting on council activities • Post Grenfell activities – MHCLG data collection 2017-18; Exercise Burleigh 24/4/18 • Mile Cross Recycling Centre fire 26/7/18 • Ashbourne Tower gas leak 14/11/18 • Bluebell Road – suspected IED 23/11/18 • Brexit planning 2018-19 • COVID-19 response <p>This risk has been combined with the previous risk 13 “Occurrence of a significant event”. Risk 13 to be deleted.</p>
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Risk: 8. Sustained increase in homelessness and temporary accommodation			Owner: Executive director of community services				Category: Customer		Risk Direction:	
Description/Triggers	Impact	Mitigation	Target Risk				Current Residual Risk			
			Date Raised	Impact	Likelihood	Score	Risk Strategy	Impact	Likelihood	Score
<ul style="list-style-type: none">• Failing to fulfil statutory responsibility to assess people who present as homeless or at risk and to develop an appropriate way forward to prevent their being homeless.• With the developing economic downturn there will be more families living in poverty, with the risk of homelessness once the 3 months ban on evictions is lifted.• Failing to fulfil responsibility to clients presenting at risk of domestic abuse	<ul style="list-style-type: none">• Increase in costs to council.• Increase in social issues for the city.• Legal action against the council for not fulfilling statutory obligations• Increase in domestic abuse	<ul style="list-style-type: none">• Greater Norwich homelessness strategy 2020 – 25• Norwich tackling rough sleeping strategy 2017-22• As the number of rough sleepers can change on a daily basis, additional accommodation is continuing to be sourced where it is required.• The Pathways partnership programme continues to provide outreach support to those who need it, drawing on a wide range of expertise.• From August 20 a specialist tenancy relations adviser is employed from government funding to deal with PRS tenants threatened by homelessness• The council is recognised as a 'gold standard' authority in dealing with the prevention and relief of homelessness• Government funding has been used to increase the 'homelessness prevention fund'.• The council employs a specialist domestic abuse housing adviser to deal with DA victims threatened with homelessness	Jun 20	3	3	9	Manage	3	3	9
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Work proactively with partners through the Pathways programme to develop a sustainable approach to tackling homelessness in the city.		Head of housing and community safety		Ongoing	Additional funding secured from MHCLG for rough sleeping. Planning agreed for 6x modular units. 10 x properties bought on open market for RS and housing first approach. Additional funds agreed for RSAP II which will add up to 20 more units with support. Pathways recommission on track		
			Over the longer-term, work with Pathways and the voluntary and community sector to look at pathways out of poverty for the most vulnerable. This will include training and skills opportunities and measures to move people closer to the labour market and into employment.		Head of housing and community safety		On going	County wide partnership established with training and skills as key work stream. Head of housing is member of board. The Feed as a supplier of earning and learning opportunities being supported. Feed supported by Council recently launched 7 day and night food provision with skills development at the core		
			Given increased volumes of presentation and workload, it may be necessary to use govt homelessness funding held in existing budgets to take on additional resource in the homelessness relief team. This to be monitored.		Head of housing and community safety		On going	Government core homelessness funding and external funding have been used to increase capacity and resource.		
Comments:										


Risk: 9. Cyber Security & GDPR compliance			Owner: Executive director of community services				Category: Processes & Systems		Risk Direction:	
			Target Risk				Current Residual Risk			
Description/Triggers	Impact	Mitigation	Date Raised	Impact	Likelihood	Score	Risk Strategy	Impact	Likelihood	Score
<ul style="list-style-type: none">• lack of staff awareness and training,• An IT vulnerability allows a Cyber-attack on the corporate data network• Failure to address the IT recommendations of IT Health assessments in a timely fashion.• Non-compliance with GDPR legislation	<ul style="list-style-type: none">• Data breaches and fines from the Information Commissioners Office (ICO) Mishandling sensitive information. The ICO can apply fines of the higher maximum amount, is £17.5 million or 4% of the total annual worldwide turnover in the preceding financial year, whichever is higher.• The Cyber-attack on the local authority in NE England is estimated to have cost £10m.• Loss of IT systems (such as Web services, Email, Payments, Public Access, Corporate information etc) for several days, weeks or even months)• IT systems don't meet service transformational expectations.• Customer services disrupted• Financial impact of prolonged IT shutdown• Political & reputational risk• Non compliance with Payment Card Industry standards which results in financial fines.• Non compliance with Public Sector Network which results in possible loss of DWP information affecting the Benefits' Service.	<ul style="list-style-type: none">• Mandatory e-learning modules on systems security & GDPR• Corporate Information Group – monitor data breaches GDPR related issues.• Independent annual Cyber health assessments provides for a friendly warning of vulnerabilities• Firewalls & Security Products• Internal audit of cyber security	Jun 20	4	3	12	Manage	4	3	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Address recommendations from the internal audit review of GDPR -. including Information asset register		Data Protection & Security Team Leader		Oct 21	Chasing final returns, 5 outstanding, 2 with Community Services, 3 with Development and City Services.		
			Programme to replace legacy IT systems		Head of Customers, IT & Digital		Sep 23	An extensive programme of work is in place to replace and refresh legacy systems.		
			Review the need to insure against cybersecurity attacks.		Head of Customers, IT & Digital		Sep 21	Once our compliance work for PSN has been completed (target date Sep 21) we can assess whether we have independent assurance of our estate which will play a factor on the risks/mitigation. We can then pick up this review and liaise with Business relationship & procurement manager.		
			Refresh the Staff Awareness Programme		Head of Customers, IT & Digital		Sep 21	New identified action, an update to follow on next report.		
			Address the vulnerabilities identified from the IT Health Assessment		Head of Customers, IT & Digital		Sep 21	The Executive Summary has been presented to CLT on 16th June. An action plan is active and Critical and High vulnerabilities are being worked on to be removed for September 2021		
			Review of IT Process/Policy Documentation		Head of Customers, IT & Digital		Oct 21	Ongoing. CIAG re-established with the new SIRO. Review underway to determine which policies to redraft first.		
			Comments:							


Risk: 10. Joint Venture contracts			Owner: : Executive director of community services				Category: Customer		Risk Direction:	
			Date	Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Raised	Impact	Likelihood	Score	Risk Strategy	Impact	Likelihood	Score
<ul style="list-style-type: none">Ending the joint venture contracts with Norse group for property management and general fund and housing repairs & maintenance (April 2022) and avoiding significant impacts on services.Poor relationship managementJoint ventures not managed effectively, and key service outcomes not achieved.Contracts not managed effectively.Joint venture arrangements do not run to term or budget	<ul style="list-style-type: none">Key services not deliveredThe Council does not get VFMBenefits of partner and contract management not realised.Specification not adhered to.Services not provided at an acceptable levelCustomer and staff complaints	<ul style="list-style-type: none">Place project – multi officer project team and board in place to implement insourcing projectsBusiness as usual workstream to oversee delivery and performanceRevised key performance indicators for property and building maintenance contracts agreedRegular review of performance	Jun 20	3	3	9	Manage	3	4	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Recommendations from the internal audit review of the housing repairs & maintenance contract reviewed and action plan agreed		Executive director of community services		Oct 21	Updates provided to audit for May 21 to completed actions. Outstanding actions to be completed Oct 21		
			Safe transfer of environmental services to Norwich City Services Limited by 1.4.21		Chief Executive		Completed			
			Safe transfer of property and building maintenance services to Norwich City Services Limited by 1.4.22		Chief Executive		Jun 21 - Apr 22	Interim specialist and experienced resources recruited to lead project. – May 21. Review of governance, resources, and budget requirements Phase 2 – June 21. Project Place Board – Phase 2 internal governance will meet monthly to monitor and support project delivery.		
			Comments:							

Risk: 11. Failure to fulfil statutory or legislative responsibilities - safeguarding.			Owner: Executive director of community services				Category: Customer		Risk Direction:	
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk				Current Residual Risk		
			Apr 20	Impact	Likelihood	Score	Risk Strategy	Impact	Likelihood	Score
				4	3	12	Manage	5	3	15
			Risk Control Action							
			Action		Owner	Target Date	Update			
			Increase officer confidence in information sharing and understanding of when and how to do so appropriately		Early Intervention & Community Safety Manager	Sep 21	Training audit to be completed by end of September. This will enable a targeted programme of safeguarding training.			
			Safeguarding policy and risk embedded into contractors' and sub contractors' policy and practice		Early Intervention & Community Safety Manager	Sep 21	This forms part of planned safeguarding training programme, awaiting delivery.			
			Maintain safeguarding champion knowledge, understanding, confidence		Early Intervention & Community Safety Manager	Sep 21	This action is ongoing, with safeguarding champions meeting every two months.			
Embed learning across council teams		Early Intervention & Community Safety Manager	Sep 21	There is regular learning sessions for Neighbourhoods staff. Learning from Complex Case Strategy Meetings and Safeguarding Adult Reviews is shared at bi-monthly champions meetings for wider organisational dissemination.						
Comments: Populated from 2019-20 section 11 self-assessment action plan										

Risk 12: This risk is confidential and not for the public domain.

Risk 13: Occurrence of a significant event – This has been merged with Risk 7.

Risk: 14 Antisocial behaviour			Owner: Executive director of community services				Category:		Risk Direction:		
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Risk			
			Impact	Likelihood	Score	Manage	Impact	Likelihood	Score		
<ul style="list-style-type: none">Failure to adequately manage risk to residents affected by antisocial behaviour	<ul style="list-style-type: none">Death or serious injury to residentMental well-of resident being impactedEscalation of issues leading to increased service demand and/or cost	<ul style="list-style-type: none">Ensure risk assessment process being followed throughout the antisocial behaviour processNew ASB team fully staffed	Oct 20	2	3	6		4	4	16	
			Risk Control Action								
			Action		Owner		Target Date	Update			
			Successful recruitment to new team so it is fully staffed		Early Intervention & Community Safety Manager		Sep 21	There are still some significant gaps in capacity within the service. Review of next steps underway with proposal by end Sept 21.			
			New ASB team trained on and conversant with ASB risk assessment procedures		Early Intervention & Community Safety Manager		Sep 21	This is now complete and will be on-going. Temporary and new officers trained on corporate and national service standards. All staff subject to above update have been trained in: <ul style="list-style-type: none">Visiting officer Risk assessmentsAssessment of needs ASB case managed processes			
			Residents know how to report ASB to the council		Early Intervention & Community Safety Manager		Sep 21	Updates to ASB web pages completed. ASB Matrix completed to aid CCT staff when dealing with incoming ASB complaints.			
			Review of new ASB response arrangements to ensure effective		Early Intervention & Community Safety Manager		Sep 21	New process and standards agreed in addition to targets set to improve performance. Customer touch points increased 6 times in first six weeks. This includes a minimum of 1 in-person visit to the victim			
Comments: CLT 24/2 agreed to add to corporate register As part of new structure ASB has moved to housing and community Safety Service within community services directorate. Full review of ASB service underway.											

Risk: 15. Contract Management – Governance			Owner: Executive director of corporate and commercial services				Category: Processes & Systems		Risk Direction:	
			Target Risk				Current Risk			
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">Ownership of contract management strategy unclearResourcing of contract management and training inadequateClarity of service area accountability & roles and responsibilities poorContract managers not fully aware of the risks if robust regular contract management with their suppliers and supply chain not undertakeInadequate SLA/KPIs/MI identified in tender/contracts together with appropriate escalations /consequencesDue diligence pre award and ongoing poor	<ul style="list-style-type: none">Third party relationships and contracts not managed appropriately causing:<ul style="list-style-type: none">contract value not realised / obligations not carried outPoor performanceFinancial loss / poor value for moneyLegislative requirements not met / regulatory / legal fine or censureReputational impactLack of visibility of supplier performance	<ul style="list-style-type: none">Use of framework agreements provides a level of due diligenceRevised contract management strategyRobust guidance on obligations and roles and responsibilities for contract managementTraining to be delivered to new contract managers and new officers in procurement team‘Driving value through our supply chain’ corporate service review to be instigatedIA coverage in audit plansPlatinum contract performance review (annual checklist)	Aug 20	3	3	9	Assess	4	3	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			<ul style="list-style-type: none">Develop Contract Management training/Source training deliveryDeliver training<ul style="list-style-type: none">NCLS officersNCC officers		Business Relationship & Procurement Manager		Complete Ongoing Sep 21	Training delivered to NCSL based on current guidance. Wider training needs to be reviewed – to be part of service review/strategy action plan development		
			<ul style="list-style-type: none">Refresh procurement guidance documents<ul style="list-style-type: none">Procurement StrategyContract ProceduresOther		Business Relationship & Procurement Manager		Complete Sep 21	Cabinet approved Procurement Strategy CPs & Other docs to be comprehensively reviewed as part of service review/strategy action plan development		
			Driving value through our supply chain’ corporate service review to be instigated		Executive director of corporate and commercial services		Complete Ongoing	Cross cutting working group established to deliver the approved review Review of key contracts and sharing of best practice		
			Comments: Recent limited assurance audit opinions on both NNBL and waste services contract management. Priority resources have been assigned to review these contracts and improve the performance and outcomes achieved.							

Risk 16: The Council's approach to waste and recycling becomes financially, environmentally and contractually unsustainable			Owner: Executive Director Development & City Services				Category:	Risk Direction:	New	
				Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Impact	Likelihood	Score	Risk Strategy Manage	Impact	Likelihood	Score
<ul style="list-style-type: none">• The Council's Waste Management services operate in a highly regulated environment. This regime covers the type of collection services that must be provided to households and businesses, and how material can be processed. There are a number of policy and contractual challenges that the Council must address between now and 2024, including the review of the collection contract with Biffa, our recycling processing with NEWS, and our response to the proposals in the proposed Environment Bill	<ul style="list-style-type: none">• Risk to service delivery as a result of appropriate contracts not being in place• Service become financially unsustainable• Services provided do not comply with new regulatory regime• Council cannot deliver the objectives of the Environment Strategy as they relate to waste minimisation and recycling• Significant reputational impact on the Council	<ul style="list-style-type: none">• Comprehensive review of financial and contract strategies to identify and address potential barriers to new contracts being agreed with suppliers• Review and redesign of service to ensure that it meets current and future regulatory requirements• Staff development programme focussing on procurement, waste strategy and contract management to be designed and delivered	May 2021	2	2	4		4	3	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Contract strategy for Biffa to be developed and agreed by CLT		Head of Enviroment Services		Jul 21	HoES attended CLT in July and resources agreed to allow resources to be released to enable actions identified below to be delivered.		
			Contract strategy for NEWS to be developed and agreed by CLT		Head of Enviroment Services		Nov 21	Anticipated that report will be taken to Cabinet in Nov to agree way forward		
			Waste Strategy to be reviewed to address financial, regulatory and climate challenges		Head of Enviroment Services		Feb 22			
			Comments: Request from CLT in May 2021 for this risk to be added to register.							

Risk scoring matrix

Impact	Very High	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5
			1	2	3	4	5
			Very rare	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Risk direction key





Committee Name: Audit

Committee Date: 21/09/2021

Report Title: Risk Management Policy & Strategy

Portfolio:	Councillor Kendrick
Report from:	Executive director of corporate and commercial services (S151 officer)
Wards:	All wards
OPEN PUBLIC ITEM	

Purpose

To enable members to review the proposed risk management policy and risk management strategy prior to their presentation to cabinet for approval.

Recommendation:

To recommend cabinet to approve the council's risk management policy and strategy.

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report meets all the corporate priorities

This report addresses healthy organisation strategic action in the Corporate Plan

Report Details

Background

1. The council's risk management strategy and corporate risk register are key elements of the corporate plan delivery structure, ensuring that risks to the achievement of the council's corporate and service priorities are identified and effectively managed. A risk management policy & strategy is a fundamental element of the risk management framework and contains the process and governance arrangements that all staff are expected to follow.
2. Risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced.
3. The risk management policy was last updated in November 2017 and is due for review.
4. The previous Interim Internal Audit Manager completed a review of the two documents and amalgamated all the key features into a single revised policy and strategy document. The aim being to bring the information into one accessible and informative format.
5. The draft risk management policy and strategy was reviewed by the Internal Audit Manager and comments incorporated, The document was then considered by the Corporate Leadership Team on 8 September. The latest version is attached at **Appendix 1**.

Key features

6. The document contains a definition of risk, the principles and benefits of risk management, and a scoring matrix based on the widely accepted 5 x 5 grid.
7. The policy also refers to the council's appetite for risk, and cabinet will be recommended to agree a maximum level of residual risk which it is prepared to accept as 15 on the scoring matrix, ie there should be no 'red' risks after mitigating controls have been taken into consideration. However, in exceptional circumstances cabinet can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16.
8. The document is intended to guide officers through the identification, recording, scoring and action planning for the mitigation of risks, and can be used at the corporate, directorate, project and service level.
9. One specific change is the approach to scoring risks. The previous strategy included a two-stage approach:
 - inherent risk level: an initial base level which ignores any controls which might already be in place
 - residual level: an assessment after taking into account of any controls already in place

10. The updated document scores risk on the following bases:

- Current residual risk level. The risk assessment taking into consideration the effectiveness of existing controls that are already in place that will have an impact on the likelihood and impact of the risk occurring.
- Target risk level. If the identified risk requires mitigation, actions will be identified that reduce the likelihood or impact of the risk. A target risk assessment should evaluate the risk exposure as if all the identified actions have been completed, reflecting how the planned actions are expected to reduce the overall risk rating.

11. The rationale for the change is to emphasise the current scores (with controls in place) and then the target score once any identified actions have been completed. This focuses on the expected impact of identified actions and can better show a direction of travel.

12. For new projects, inherent risks (assuming no existing key controls in place) will still be considered at the planning stage while controls are being identified and implemented.

13. There is a template for any risk register entry which sets out the key controls, current residual and target risk scores, together with any additional actions that managers consider necessary to further manage the risks.

14. Appendix 2 of the draft document details the roles and responsibilities in risk management. This includes the role of audit committee, which is:

- Monitoring adherence to the risk management policy
- Reviewing risk management policy
- Reviewing reports on the council's risk management processes in order to provide independent assurance of the adequacy of the risk management framework and the associated control environment
- Raising any concerns on risk management with cabinet

15. Following approval of the revised policy and strategy and plan for communication and training will be developed.

Summary

16. Effective risk management is a key element in delivering the council's corporate plan.

17. The proposed risk management policy and strategy are based on best practice.

Consultation

18. The draft Risk Management Policy & Strategy has been reviewed by the Corporate Leadership Team.

19. The purpose of this report is to enable Audit Committee members to review the proposed risk management policy and risk management strategy prior to its presentation to cabinet for approval.

Implications

Financial and Resources

20. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2019-22 and Budget. There are no proposals in this report that would reduce or increase resources.

Legal

21. There are no specific legal implications arising from this report.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	No direct implications.
Health, Social and Economic Impact	No direct implications.
Crime and Disorder	No direct implications.
Children and Adults Safeguarding	No direct implications.
Environmental Impact	No direct implications.

Risk Management

Risk	Consequence	Controls Required
A risk management policy is a fundamental element of the risk management framework and contains the process and governance arrangements that all staff are expected to follow.	Without an effective policy in place, the Council is at risk of being unable to demonstrate that it has designed a process for effectively managing risks that threaten the achievement of its objectives.	Effective Risk Management Policy & Strategy which is regularly monitored and embedded into business processes.

Other Options Considered

22. There are no alternative options to this report.

Reasons for the decision/recommendation

23. To recommend cabinet to approve the council's updated risk management policy and strategy.

Background papers:

None

Appendices:

Appendix 1 – Draft Risk Management Policy and Strategy

Contact Officer:

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Risk Management Policy & Strategy

Document control

Version	Author	Date	Summary of changes
V1.0	G Jones	3/2021	Merge of policy & strategy & removal of LGSS references and old templates
V1.1	H Simpson	06/2021	Introduction wording & foreword
V1.2	H Simpson	09/2021	Inclusion of feedback from IA manager including: Clarification on residual and target risk Risk appetite

Next review date:	September 2024
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Foreword by Chief Executive

This risk management policy is fully supported by myself and other members of the corporate leadership team who are accountable for the effective management of risk within the council. Our Councillors have also shown during my time with the authority that they understand the importance of effective risk identification and mitigation and have been supportive of steps we've taken as a council to improve our approach over the past 18 months.

All officers of the council have a responsibility to recognise and manage risk in accordance with this policy and the associated risk management strategy. **Risk management is everyone's business.**

In Norwich City Council, risk management is about improving our ability to deliver our strategic objectives by managing our threats, enhancing our opportunities and creating an environment that adds value to ongoing operational activities.

I am committed to the effective management of risk at all levels of this council. This policy is an important part of ensuring that effective risk management takes place. It's important that we remain agile in our approach and treat effective risk management as an ongoing process of improvement – learn for both successes and mistakes.

Stephen Evans
Chief Executive

Introduction

This document encompasses the Council's policy and strategy in relation to risk management. It is intended to provide a framework for the management of risk and explain how the Council will ensure that it is managing risk effectively to increase the likelihood that business objectives will be achieved. It aims to:

- increase overall awareness of risk throughout the council and to enable managers and those responsible for risk reporting, to better identify, assess and control risks within their areas.
- define roles and responsibilities to help ensure the risk management process is understood and owned across the council
- provide advice on best practice and describe the different elements that need to be managed in order that risk management methodology is embedded in every layer of the council.

The Accounts and Audit Regulations 2015 state:

A relevant authority 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.*

Norwich City Council seeks to ensure that services, delivered either directly or through others, are of a high quality, provide value for money and meet evidenced need. The council is a complex organisation that works with a wide variety of other organisations in different and varying ways. As a result, it needs to ensure the way it acts, plans and delivers is carefully thought through both on an individual and a corporate basis.

There are, however, many factors which might prevent the council achieving its plans, therefore we seek to use a risk management approach in all of our key business processes with the aim of identifying, assessing and managing any key risks which might be faced. This approach is a fundamental element of the council's code of governance and is explained in the following extracts:

- *The council recognises that risk management is an integral part of all activities and must be considered in all aspects of decision making. Robust and integrated risk management arrangements are in place and regularly reviewed to ensure that they are working effectively. Risk management is embedded into the culture of the Council.*
- *The council ensures that responsibilities for managing individual risks are clearly allocated, and the Corporate Risk register is reported to and reviewed by the Council's Corporate Leadership Team, Audit Committee and Cabinet on a regular basis.*

It is important to recognise that the council is not seeking to 'factor out' all risk, as this would not be a cost-effective use of scarce resources, but instead to manage risk in a proportionate manner relative to the severity of the risk. It is also important to remember that risks must be managed, but not avoided to the extent that innovation and opportunities are stifled.

What is risk?

1. The council's definition of risk is:
"Factors, events or circumstances that may prevent or detract from the achievement of the council's priorities and service plan objectives."
2. Risk is an event, which if it crystallises, could adversely impact on the work of the Council. It may be a one-off event, repeated events or progressive continuum.

Risk management objective

3. Risk management is the process by which risks are identified, evaluated and controlled within the council's risk appetite. It is a key element of the council's governance framework.
4. The council will operate an effective system of risk management which will seek to ensure that risks which might prevent the council achieving its plans are identified and managed on a timely basis in a proportionate manner. In practice this means that the council has taken steps to ensure that risks do not prevent it from achieving its priorities or objectives.

Risk management principles

5. The policy establishes the following risk management principles:
 - The risk management process should be consistent across the council, clear and straightforward and result in timely information that helps informed decision making
 - Risk management should operate within a culture of transparency and openness where risk identification is encouraged, and risks are escalated where necessary to the level of management best placed to manage them effectively
 - Risk management arrangements should be dynamic, flexible and responsive to changes in the risk environment
 - The response to risk should be mindful of risk level and the relationship between the cost of risk reduction and the benefit accruing, i.e. the concept of proportionality
 - Risk management should be embedded in everyday business processes and risks managed in line with the council's risk appetite.
 - Officers of the council should be aware of and operate the council's risk management approach where appropriate
 - Directors should be aware of the council's risk management approach and of the need for the decision-making process to be informed by robust risk assessment.

Appetite for risk

6. With limited resources it is inappropriate for the council to seek to mitigate all of the risk it faces. The council therefore aims to manage risk in a manner which is proportionate to the risk faced, based on the experience and expertise of its

senior managers. The main types of risk areas the Council will face are detailed in Appendix 2.

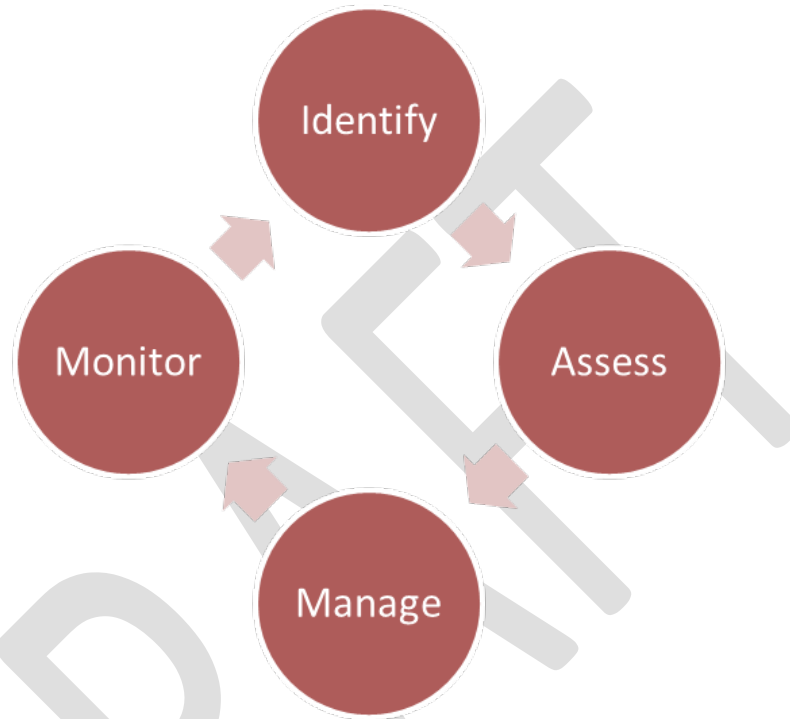
7. Risks will be taken in a considered and controlled manner to ensure exposure to risks is kept to a level deemed acceptable by the Council. CLT has defined the maximum level of residual risk which it is prepared to accept as a maximum risk score of 15 in line with the scoring matrix attached at Appendix 1. CLT will apply judgement when determining which risks are monitored via the corporate risk register, which may mean lower scoring risks are included, for example where there is a high reputational risk.
8. The acceptable level may vary from time to time and some risks may be accepted above the agreed acceptable level because:
 - The likelihood of the risk occurring is deemed to be sufficiently low
 - There is the potential to enable the realisation of considerable reward/benefit
 - They are considered too costly to control given other priorities
 - The cost of controlling them would be greater than the cost of the impact should they materialise
 - There is only a short period of exposure to them
 - They are considered essential to the achievement of aims and objectives
9. Other areas of risk, such as small projects or health and safety, may have a different risk appetite depending on the circumstances, but only if they do not impact on council priorities or service plan objectives.
10. All employees should systematically and promptly report to their manager any perceived new risks or failures of existing control measures for consideration.

Benefits of risk management

11. Benefits include:
 - Alerting directors and officers to key risks which might prevent the achievement of the council's plans, in order that timely mitigation can be developed to either prevent the risks or minimise impact should they occur.
 - Ensuring that directors and officers are fully aware of any key risk issues associated with proposals being considered at the point of decision making.
 - Greater risk awareness and an improved and cost-effective control environment, which should mean fewer incidents and other control failures and better service outcomes by allowing senior management to focus and prioritise mitigation of the most significant risks and opportunities.
 - Providing assurance to directors and officers on the adequacy of arrangements for the conduct of business. It demonstrates openness and accountability to various regulatory bodies and stakeholders more widely.
 - Allowing the council to take informed decisions about exploiting opportunities, ensuring that we get the right balance between rewards and risks.

Risk management approach

12. The risk management approach adopted by the council is based on identifying, assessing, managing and monitoring risks at all levels across its activities. This approach is based upon the standard management cycle shown in the diagram below. The detailed stages of the council's risk management approach are shown in **Appendix 3**.



Awareness and development

13. The council recognises that the effectiveness of its risk management approach will be dependent upon the degree of knowledge of the approach and its application by officers and directors.
14. The council is committed to ensuring that all directors, officers, and partners where appropriate, have sufficient knowledge of the council's risk management approach to fulfil their responsibilities for managing risk. This will be delivered through formal training programmes, risk workshops, briefings, and internal communication channels. More information can be obtained by contacting the Head of Finance, Audit & Risk.

Conclusion

15. The council will face risks to the achievement of its plans. The risk management approach detailed in this policy should ensure that the key risks faced are recognised, and effective measures are taken to manage them in accordance with the defined risk appetite.

Appendix 1

Scoring matrix

Impact	Very High	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5
			1	2	3	4	5
			Very rare	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Colour	Score	Detail
Red	16 +	<p>Risks scored here represent a severe threat to the delivery of the Council's objectives and service delivery and are outside of the risk appetite of the Council. Risks scored at this level should be treated as a priority and actions identified to address the risk. Such risks should be escalated through the management reporting line to CLT. Reporting on progress will be required quarterly to CLT and Cabinet and twice yearly to Audit Committee.</p> <p>In exceptional circumstances residual risk in excess of the risk appetite can be approved if it is agreed that it is impractical or impossible to reduce the risk level below 16.</p>
Amber	5 to 15	<p>Risks scored here represent a moderate threat to the delivery of the Council's objectives and service delivery. They are within the risk appetite of the Council with some proportionate mitigation and regular monitoring required. Risks will be monitored quarterly through Directorate Risk Registers. For items escalated to the corporate risk register these will be monitored quarterly by CLT and reported to through to Cabinet and Audit Committee.</p>
Green	1 to 4	<p>Risks here represent a minor threat to the delivery of the Council's objectives and service delivery and are within the risk appetite. Review required to ensure risk score does not change/increase, however these risks can be managed at operational/service level.</p>

Risk Management Policy & Strategy - DRAFT

Impact guidance

The following table provides examples for the scoring of the impact of a risk:

	Negligible 1	Low 2	Medium 3	High 4	Very High 5
Legal and Regulatory	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/ or local public enquiry	Major civil litigation setting precedent and/ or national public enquiry	Section 151 or government intervention or criminal charges
Financial	<£50k	<£100k	<£250k	<£500k	>£500k
Service provision	Insignificant disruption to service delivery	Minor disruption to service delivery	Moderate direct effect on service delivery	Major disruption to service delivery	Critical long term disruption to service delivery
People and Safeguarding	Slight injury or illness	Low level of minor injuries	Significant level of minor injuries of employees and/or instances of mistreatment or abuse of individuals for whom the council has a responsibility	Serious injury of an employee and/or serious mistreatment or abuse of an individual for whom the council has a responsibility	Death of an employee or individual for whom the council has a responsibility or serious mistreatment or abuse resulting in criminal charges
Reputation	No reputational impact	Minimal negative local media reporting	Significant negative front page reports/ editorial comment in the local media	Sustained negative coverage in local media or negative reporting in the national media	Significant and sustained local opposition to the council's policies and/or sustained negative media reporting in national media
Project	Minimal effect on budget or overrun	Project overruns or over budget	Project overruns or over budget affecting service delivery	Project significantly overruns or over budget	Project failure
Sustainability and Environment	Minimal or no impact on environment or sustainability targets	Minor impact on environment or sustainability targets	Moderate impact on environment or sustainability targets	Serious impact on environment or sustainability targets	Very serious impact on environment or sustainability targets

Appendix 2

Roles & Responsibilities

Who	Risk Management Role
Cabinet	<ul style="list-style-type: none"> Ensuring corporate risks are identified and effectively managed across the council Approving the risk management policy including the risk appetite Ensuring periodic review of the policy is undertaken Considering risk in its decision making Receiving reports on significant risk issues
Audit Committee	<ul style="list-style-type: none"> Monitoring adherence to the risk management policy Reviewing risk management policy Reviewing reports on the council's risk management processes in order to provide independent assurance of the adequacy of the risk management framework and the associated control environment Raising any concerns on risk management with cabinet
Chief Executive	<ul style="list-style-type: none"> Overall responsibility and accountability for leading the delivery of an effective council-wide risk management approach Ensuring that the corporate risk register and service risk registers are subject to regular review
Corporate Leadership Team	<ul style="list-style-type: none"> Ensure consideration of risk setting the council's direction of travel. Approve the risk management policy for onward approval by cabinet and ensure periodic review is undertaken Be aware of and consider risk relating to their area of responsibility Overall responsibility and accountability for leading the delivery of an effective council wide risk management approach Ensuring that the council's risk register and directorate risk registers are subject to regular review. Owning and leading the council risk management process Reviewing significant council risks Receiving urgent risk reports as necessary Ensuring that risk is given due consideration in all management processes

Risk Management Policy & Strategy - DRAFT

Who	Risk Management Role
Executive Director Corporate & Commercial Services	<ul style="list-style-type: none"> • Championing and taking overall responsibility for seeking to ensure that effective risk management processes operate throughout the council
Executive Directors	<ul style="list-style-type: none"> • Reviewing area risk registers on a quarterly basis with heads of service. • Ensuring that risk is given due consideration in all management processes • Ensuring that risks identified within their area are managed at an appropriate level, including escalation to CLT level where appropriate • Working with staff within their area to use the risk management approach in assisting the delivery of outcomes • Driving the development and embedding of effective risk management across their area • Information exchange on emerging risks
Head of Finance, Audit & Risk	<ul style="list-style-type: none"> • Providing guidance, advice & support on the council's risk management approach • Coordinating risk management across the council • Maintaining the central record of the corporate risk register • Arranging risk management awareness, support and training for managers, staff and members • Compiling reports as appropriate for the corporate leadership team, cabinet and the audit committee
All Staff	<ul style="list-style-type: none"> • Understanding their accountability for individual risks • Reporting systematically and promptly to their manager any perceived new risks or failures of existing control measures • Completing any risk management training relevant to the post.

Who	Risk Management Role
Internal Audit Manager	<ul style="list-style-type: none">• Providing guidance, advice & support on the council's risk management approach• Facilitating risk workshops• Performing quality and performance checks on risk management documents• Arranging risk management awareness, support and training for managers, staff and members• Planning and delivering internal audit reviews of the internal control environment which helps to provide independent assurance on the risk management process• Developing a risk-based Internal Audit Programme

Risk Management Processes

Risk Recording

- 3.1 It is important that all stages of the risk management process are recorded to allow risks to be managed effectively on a dynamic basis. A standard risk register template is shown at Appendix 5.

Risk Identification

- 3.2 The identification of risk is the most difficult aspect of risk management as once a risk is identified the structured process of risk management should mean that the risk is fully evaluated and managed appropriately. Officers are therefore encouraged to devote sufficient time to it such that all key risks are recognised and appropriately managed.
- 3.3 There are several risk perspectives:
- Corporate - Those risks, which if they occurred, would have a major impact on the organisation or delivery of its priorities. Corporate risks also include cross cutting risks that impact across directorates.
 - Change related (Programme / Project) – where the council is exposed to risks that could affect its ability to successfully complete the desired transformational outcomes or deliver projects objectives.
 - Operational – where we are exposed to risks that could affect our control and ability to successfully and continually deliver or commission services to our service users / residents.
- 3.4 Risk identification should include consideration of any risks associated with missed opportunities, e.g. failure to take advantage of external funding opportunities.
- 3.5 Risk is best identified by means of a risk workshop at management team level where each team member is able to identify their perspective of risk without influence from other team members, although the outputs from this process are then subject to full team review to give a consensus on the main risks faced by that team. Other risk identification approaches can also be effective, e.g. open discussion at team meetings.
- 3.6 Risk registers should be prepared down to the lowest appropriate level in each directorate at management discretion but usually with a minimum of two levels in accordance with best practice.
- 3.7 The detailed responsibilities of support roles can be found in **Appendix 2**.
- 3.8 To assist risk identification, **Appendix 4** lists the types of risks which might be faced. However, it should be recognised that this list is simply a guide and is not exhaustive.

- 3.9 Risks should be clearly articulated to ensure there is a clear understanding of the risk. Risk descriptions should be expressed in negative terms and will refer to risks arising either from council actions or from external factors, e.g. 'The council does not'; 'The council fails to'; 'Failure to'; 'Supply chain failure'; 'Industrial action'.

Cause and Effect

- 3.10 At the point of risk identification, the possible causes of the risk and the likely effects if the risk were to occur should be identified to give a good understanding of the dynamics of the risk:
- Cause naturally leads to the identification of the mitigating actions necessary to either prevent the risk occurring or to recover quickly from the risk should it occur;
 - Effect assists in understanding the impact of the risk and hence it's scoring.

Risk Ownership

- 3.11 The effective management of risk requires that each risk should have a named owner (post title). Ownership should be vested at individual post level and not team level.

Escalation of Risk

- 3.12 In the interests of empowerment each risk should be managed at the lowest appropriate level of management. However, if it is considered that a risk identified at one management level cannot be effectively managed at that level, the risk should be escalated up the management chain until it reaches the level at which it can be effectively dealt with.
- 3.13 All risks scoring above the risk appetite (score above 15) should be escalated to CLT for monitoring and consideration for inclusion on the Corporate Risk Register.

Scoring of Risk

- 3.14 In order to assess the impact of risk in a consistent manner a scoring methodology has been adopted which takes account of the two distinct aspects of risk:
- The likelihood of the risk occurring.
 - The impact if it does occur.
- 3.15 The scoring methodology is expressed in the 5x5 scoring matrix as attached at Appendix 1. The matrix itself is supported by descriptors, over various elements, for the impact element of the risk. The impact score selected will be the highest score for any of the descriptor elements (N.B. not all may apply).
- 3.16 The risk will be scored in two stages:

- **Current residual risk level.** The risk assessment taking into consideration the effectiveness of existing controls that are already in place that will have an impact on the likelihood and impact of the risk occurring.
- **Target risk level.** If the identified risk requires mitigation, actions will be identified that reduce the likelihood or impact of the risk. A target risk assessment should evaluate the risk exposure as if all the identified actions have been completed, reflecting how the planned actions are expected to reduce the overall risk rating.

3.17 For new projects, inherent risks (assuming no existing key controls in place) will still be considered at the planning stage while controls are being identified and implemented.

Risk Mitigation

3.18 Mitigations in place, and known to be operating effectively, should be identified. Future actions to mitigate identified risks should be detailed along with the action owners and timescales for completion.

3.19 Identifying gaps in existing controls and identification of the actions that are needed to improve the mitigation of risks in line with both Council's risk appetite will involve employing either one or a mix of the following:

Acceptance	Where the level of the risk falls below the Council's risk appetite and a conscious decision is made to accept that risk and to take no further action other than ongoing monitoring and periodic review. Sometimes referred to as tolerate.
Avoidance	Where the actions causing the risk are avoided; for example, withdrawing from a particular activity, project or service.
Reduction	Take action to reduce the level of risk by reducing either the impact or the likelihood of the risk event occurring.
Transferring	Transferring most or some of the risk to a third party. The main types are insurance and outsourcing.
Sharing	Risk sharing is the distribution of risk to multiple organisations for example during a project with a number of stakeholders involved.

3.20 However, it is not appropriate for the council to attempt to manage all the risks which it faces – sometimes it is more effective to **terminate** the risk. This may mean ceasing the activity likely to trigger the risk or simply doing something in a different way that eliminates the original risk.

Action Planning

3.21 The residual risk score should be evaluated and an assessment made if this level of risk is appropriate.. The council has defined its maximum risk appetite as not accepting a residual risk score of 16 or more unless actions are planned to

reduce the score to below this level on a timely basis. In exceptional circumstances the CLT can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16.

- 3.22 Otherwise the appropriate level of residual risk should be based on the experience of the manager responsible for managing the risk.
- 3.23 In determining the mitigation required to manage a risk, regard must be had to the proportionality of the cost of the mitigation to the cost impact if the risk occurs, i.e. it would make no sense if the cost of the control exceeded the cost of the impact.
- 3.24 If the risk score is deemed to require adjustment, i.e. either reduction or increase, actions should be designed accordingly which must be assigned to a named owner and set an achievable specified target completion date.

Risk Monitoring

- 3.25 A full review of risk should be undertaken on a quarterly basis at all levels of management, i.e. CLT, directorate and team, to ascertain:
- If all relevant risks are included;
 - If any risks can be closed;
 - The progress in implementing agreed actions.
 - If residual risk scores should be re-evaluated, e.g. to reflect completed actions.
- 3.26 Managers should have regard to potential risks at all times and should use the risk management approach to help them analyse and manage such risks at the point they are identified. Managers should not wait for the next quarterly CLT review.

Risk Reporting

- 3.27 The corporate leadership team (CLT) will, on a quarterly basis, review the council's risk profile and details of business areas' residual risks in excess of the council's risk appetite (red risks).
- 3.28 The Corporate Risk Register will be reported to Cabinet on a quarterly basis as part of the Combined Performance Report.
- 3.29 In addition to its inclusion in the quarterly performance monitoring reports, a risk management report will be provided to the audit committee twice yearly so that the committee can fulfil its oversight function.
- 3.30

Risk Management in other Business Processes

- 3.31 The risk management processes defined in other business processes should be complied with. Other business processes include:
- **CLT decision making**

It is critical for effective decision making that the decision makers are provided with details of the risks associated with each proposal being considered.

- **Service planning**

As with CLT decision making it is critical that senior managers and ultimately directors understand the risks associated with the plans being designed by the council at the point of design.

- Service plans should have a risk section and require the service to identify risks and how they will be managed.
- Presentations to CLT on budget proposals should highlight key risk issues.

- **Project management**

Risk (and issue) management is a key element in delivering an effective project management methodology.

- **Contracts and collaborative relationships**

Effective contract and relationship management is of vital importance.

- **Health and safety**

The council's health and safety policy is also a key component of the structure of controls contributing to the management and effective control of risks affecting staff, contractors and the general public.

- **Business continuity planning**

It is important for the council to establish business continuity management arrangements to ensure that it can continue to deliver business critical services if business disruption occurs.

Risk identification

- 4.1 The checklist below is an aid to managers in risk identification. However, the checklist cannot be exhaustive, and you may identify other areas where you foresee there might be risks or opportunities.
- 4.2 Managers should recognise that the use of the “right” categorisation is not critical and is simply an aid to assist the identification of risk. The critical factor is that all key risks are identified and then managed effectively.
- 4.3 The first stage of risk identification is making sure that the objectives of the area being assessed are clearly understood in accordance with the council’s risk definition:
- “Factors, events or circumstances that may prevent or detract from the achievement of the council’s priorities and service plan objectives”.**
- 4.4 A risk may relate to the non-achievement of all or a number of council priorities or a single priority.
- 4.5 Please note that, depending on how a risk is worded, you may wish to reflect areas detailed below as the cause of a risk rather than a risk in its own right, e.g. ‘Changes in demography’ may be recorded as a cause of ‘Customers are not provided with the services they need’.

Risk category	When thinking about possible risks that could affect the different categories you might like to consider the following areas:
Customer Perspective	<ul style="list-style-type: none"> • Effects on social wellbeing, e.g. changes in economic conditions • Environmental issues, e.g. the effects of climate change, progressing the council’s strategic objectives e.g. the disposal of waste
Finance and Resources	<ul style="list-style-type: none"> • Ineffective financial planning including budget preparation • Weaknesses in workforce planning • Ineffective budget management • Loss or reduction in funding • Missed opportunities for obtaining additional funding • Failure to manage the council’s cash assets effectively, i.e. treasury management function • Failure to manage non-cash assets effectively

Processes and Systems	<p>Regulators:</p> <ul style="list-style-type: none"> • Non-compliance with regulatory expectations • Non-compliance with legislative requirements, e.g. health and safety, equalities, data protection, environmental legislation, employment law, etc. • The council does not act within its statutory/legal powers. <p>Partners/Suppliers:</p> <ul style="list-style-type: none"> • Poor partnership agreements/arrangements/relationships • Suppliers/partners do not provide effective, efficient and economic services to the council, e.g. a major contract fails <p>General</p> <ul style="list-style-type: none"> • Weakness in procedures/systems that could lead to breakdown in service • Criminal or corrupt activity • Incorrect/unreliable/untimely information
Learning and Growth	<ul style="list-style-type: none"> • Not having staff with the right skills and experience • Failure of key projects and programmes

Template register

Current template:

Risk:			Owner:			Category:		Risk Direction:		
				Current Residual Risk				Target Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Impact	Likelihood	Score	Risk Strategy	Impact	Likelihood	Score
•	•	•								
			Risk Control Action							
			Action		Owner	Target Date	Update			
			Comments:							



Committee Name: Audit

Committee Date: 21/09/2021

Report Title: Whistleblowing Policy

Portfolio:	Councillor Kendrick
Report from:	Executive director of corporate and commercial services (S151 officer)
Wards:	All wards
OPEN PUBLIC ITEM	

Purpose

To update the committee on a review of the Whistleblowing Policy and highlight minor amendments.

Recommendation:

To note the Whistleblowing Policy updates.

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report meets all the corporate priorities

This report addresses healthy organisation strategic action in the Corporate Plan

Report Details

Background

1. Defining the council's approach to whistleblowing and providing guidance on how to raise concerns helps to protect the council against significant reputational risks.
2. The Whistleblowing Policy provides guidance covering the reporting of misconduct or malpractice in managing the council's finances and highlights that any concerns raised will be taken seriously and will be investigated.
3. The responsibility for the operation of this policy rests with the corporate leadership team to ensure all employees are fully aware of its provisions.
4. Audit committee is responsible for assuring the council that the risks across the council are being identified and managed. It is therefore responsible for ensuring that this policy is robust in identifying concerns and that the identified risks are addressed. It is also responsible for ensuring that the principles within this policy are upheld.

Updates

5. The Chair of the Audit Committee highlighted that the contact details for raising concerns contained within the Whistleblowing Policy were out of date following recent changes in officers. These contact details have been amended and the revised version available on the council website.
6. The policy has also been reviewed by Internal Audit to ensure it reflects best practice and has been compared with whistleblowing policies within the Eastern Internal Audit Consortium. No concerns have been identified regarding the adequacy of the current policy.
7. The latest up to date version of the policy including minor amendments to responsible officers and contact details is attached at Appendix 1 of this report.
8. Following the review, we will refresh the internal communications plan to ensure employees are fully aware of the policy.

Consultation

9. The Whistleblowing Policy has been reviewed by the Corporate Leadership Team. The purpose of this report is to enable Audit Committee members to review the policy.

Implications

Financial and Resources

10. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as

set out in its Corporate Plan 2019-22 and Budget. There are no proposals in this report that would reduce or increase resources.

Legal

11. There are no specific legal implications arising from this report.
12. Norwich City Council operates within legal requirements and regulations and expects its employees to co-operate in this by adhering to all laws, regulations, policies and procedures. Any employee becoming aware of inappropriate conduct is obliged and encouraged to report this activity. The Whistleblowing Policy also applies to other individuals performing functions in relation to the council such as contractors, consultants, partners and agency workers and other stakeholders including councillors.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	No direct implications.
Health, Social and Economic Impact	No direct implications.
Crime and Disorder	No direct implications.
Children and Adults Safeguarding	No direct implications.
Environmental Impact	No direct implications.

Risk Management

Risk	Consequence	Controls Required
The council does not have a robust policy and approach to whistleblowing.	<p>Individuals do not feel confident to raising serious concerns and to question and act upon concerns.</p> <p>The council does not provide avenues for any person to raise concerns and receive feedback on any action taken</p>	<p>Clear Whistleblowing Policy setting out roles and responsibilities.</p> <p>This should be promoted to all employees, members and stakeholders.</p>

Other Options Considered

13. There are no alternative options to this report.

Reasons for the decision/recommendation

14. To enable the Audit Committee to review the Whistleblowing Policy.

Background papers:

None

Appendices:

Appendix 1 – Whistleblowing Policy

Contact Officer:

Name: Hannah Simpson

Telephone number: 01603 989569

Email address: hannahsimpson@norwich.gov.uk



May 2020

Whistleblowing policy

Norwich City Council

Whistleblowing policy

The council wants you to be confident that your concerns will be taken seriously and that you will be protected from victimisation or bullying or harassment if you raise a concern.

If you have a concern about the council's services please read this policy. We can give confidential advice about concerns you may have regarding the council and its services.

We encourage people to raise their concerns under this procedure in the first instance. If you are not sure whether to raise a concern, you can discuss the issue and/or policy with:

- Faye Haywood, Internal Audit Manager, on 01508 533873 or by email fhaywood@S-NORFOLK.GOV.UK.
- Dawn Bradshaw, Head of HR and OD, on 01603 987524 or email dawnbradshaw@norwich.gov.uk.
- Leah Mickleborough, Monitoring Officer, on 01603 987940 or email LeahMickleborough@norwich.gov.uk
- Stephen Evans, Chief Executive, on 01603 989200 or email StephenEvans@norwich.gov.uk.

You can also raise any concerns to Protect on 020 3117 2520, email whistle@protect-advice.org.uk, or use the contact form <https://protect-advice.org.uk/advice-line/>

Protect- *formerly Public Concern at Work* - are leading experts in whistleblowing. They are an independent charity and information provided to them is protected under the Public Interest Disclosures Act. Their helpline is where their lawyers provide confidential advice free of charge.

Guidance is also available from the direct government website: <https://www.gov.uk/whistleblowing>, which has links to the Advisory, Conciliation and Arbitration Service (ACAS) for help and advice on resolving a workplace disputes.

All concerns will be treated in confidence and every effort will be made not to reveal the identity of the person highlighting the concern.

Table of contents

WHISTLEBLOWING POLICY	1
Overview and contacts	2
Table of contents	3
1 Introduction	4
2 Aims and scope of this policy	6
3 How to raise a concern	7
4 Supporting the individual to raise a concern	8
Harassment or victimisation	8
Confidentiality	9
Anonymity	9
Untrue allegations	9
5 How the council will respond	9
6 How the matter can be taken further	11
7 Roles and responsibilities	11
Framework	11
Investigations	11
Line managers	12
Employees	12
8 How the policy will be monitored and reviewed	12
Monitoring	12
Review	12
9 Annex A	13
Procedure for contractors / partners, employees of subsidiaries	13
10 Annex B	14
General survey	14
Specific Survey for those who have raised a concern	14

1 Introduction

- 1.1 This policy seeks to provide a process that gives anyone with a concern about the council the confidence to bring that concern to our attention.
- 1.2 Norwich City Council operates within legal requirements and regulations and expects its employees to co-operate in this by adhering to all laws, regulations, policies and procedures. Any employee becoming aware of inappropriate conduct is obliged and encouraged to report this activity. This policy also applies to other individuals performing functions in relation to the council such as contractors, consultants, partners and agency workers and other stakeholders including councillors.
- 1.3 Employees are often the first to realise that there may be something seriously wrong within the council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the council. Councillors, customers and stakeholders are also in a position to identify concerns that affect council services and need to be addressed.
- 1.4 The law provides protection for workers who raise legitimate concerns about specified matters. These are called 'qualifying disclosures'. A qualifying disclosure is one made in the public interest by a worker who has a reasonable belief that the following is being committed or is likely to be committed:
 - a criminal offence
 - a miscarriage of justice
 - an act creating risk to health and safety
 - an act causing damage to the environment
 - a breach of any other legal obligation
 - concealment of any of the above
- 1.5 It is not necessary for the worker to have proof that such an act has been, or is likely to be committed – a reasonable belief is sufficient. The worker has no responsibility for investigating the matter
- 1.6 Individuals with a concern may fear that they will be victimised or harassed if they raise the concern. In these circumstances it may feel easier to ignore the concern rather than report what may be a suspicion of malpractice. A worker who makes a protected disclosure has the right not to be dismissed, subjected to any other detriment, or victimised, because they have made a disclosure.
- 1.7 The council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment the council encourages employees, customers, contractors, employees of subsidiaries, stakeholders or any other person with serious concerns about any aspect of the council's work to come forward and voice those concerns.
- 1.8 It is recognised that certain cases will have to proceed on a confidential basis but in accordance with the Freedom of Information Act this policy seeks to provide a transparent method for dealing with concerns. Whistle-blowers can have confidence through this policy that they have the fullest protections afforded by the Public Interest Disclosures Act.
- 1.9 Specifically this policy makes it clear that employees and others can make reports without fear of reprisals and sets out what protections are in place under this policy. It is intended to encourage and enable concerns to be raised within the council so that they can be addressed, rather than overlooking problems or raising them outside the council.

- 1.10 All officers, councillors and partners have a responsibility to protect the council's interests through the proper adherence to this policy.
- 1.11 The council is committed to maintaining high ethical standards and taking your concerns seriously.

2 Aims and scope of this policy

2.1 This policy aims to:

- encourage and enable any person to feel confident in raising serious concerns and to question and act upon concerns
- provide avenues for any person to raise concerns and receive feedback on any action taken
- ensure everyone making a referral receives a response to their concerns
- describe how to take the matter further if dissatisfied with the council's response
- reassure anyone making a referral that they will be protected from reprisals or victimisation.

2.2 For the avoidance of doubt if you have concerns that any person may be being mistreated / abused you can discuss your concerns in confidence with your manager or those listed on the front cover of this policy.

2.3 There are existing procedures in place to enable employees to lodge a grievance relating to their own employment, customers to complain about the service they receive, and report if councillors have breached the Member Code of Conduct. This policy should not be used for such concerns; however, advice can be obtained from the contacts on the front cover of this policy if you have any doubts.

2.4 The whistleblowing policy is intended to cover concerns that fall outside the scope of the above procedures. A concern may be about:

- sexual, physical or emotional abuse of clients or other individuals
- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as employees
- damage to the environment
- unauthorised use of public funds
- action that is contrary to the council's financial procedures or contract regulations
- possible fraud, corruption or financial irregularity
- action that is against the council's financial regulations and policies
- practice that falls below established standards or practice
- other improper or unethical conduct.

2.5 The concern may be something that makes a person feel uncomfortable in terms of known standards, their experience or the standards to which they believe the council subscribes. If in doubt please contact either a named contact on the front cover of this policy or Protect to have a confidential discussion.

2.6 This policy applies to all employees, councillors, contractors, consultants, and agency workers and other stakeholders who are acting on behalf of, or in partnership with, the council.

2.7 Any disclosure of information that, in the reasonable belief of the worker, is made in the public interest shall be deemed a qualifying disclosure.

2.8 This policy incorporates the provisions that are required from the Public Interest Disclosure Act 1998.

3 How to raise a concern

- 3.1 When an individual wishes to raise a concern, he or she will need to identify the issues carefully. They must be clear about the standards against which they are judging practice. Whilst not exhaustive they should consider the following:
- Is it illegal?
 - Does it contravene professional codes of practice?
 - Is it against government guidelines?
 - Is it against the Council's guidelines?
 - Is it about one individual's behaviour or is it about general working practices?
 - Does it contradict what the employee has been taught?
 - Has the individual witnessed the incident?
 - Did anyone else witness the incident at the same time?
- 3.2 Concerns from employees should normally be raised with their immediate manager. Similarly, non-employees (e.g. agency workers or contractors) should raise a concern with their contact within the council, usually the person to whom they directly report.
- 3.3 In some cases, the nature or sensitivity of the concern means that this may not always be appropriate. If a person feels they cannot raise their concern with their immediate manager they are able to go directly to the internal audit manager (see paragraph 3.12), or the named contacts at the beginning of this policy. They may also do so if, having raised a concern with the immediate manager/contact, they feel there has not been an appropriate response.
- 3.4 Others wishing to raise a concern should consider using the council's [complaints procedures](#) by emailing listening@norwich.gov.uk. Alternative details for raising concerns can be found on the council's website (https://www.norwich.gov.uk/info/20210/other_ways_to_contact_us) or by ringing 0344 980 3333.
- 3.5 Given the possible contractual issues annex A of this policy gives specific guidance to contractors and partners of the council in raising such concerns.
- 3.6 Concerns may be raised verbally or in writing. Anyone who wishes to make a written report should give the background and history of the concern, giving relevant dates if possible, and the reason why they are particularly concerned about the situation.
- 3.7 If the individual wishes, they may ask for a private meeting with the person to whom they wish to make the complaint and can be accompanied if they wish. An employee may invite someone, such as their trade union or a work colleague, to be present during any meetings or interviews in connection with the concerns they have raised.
- 3.8 When making a complaint verbally, the individual should write down any relevant information and date it. They should keep copies of all correspondence and relevant information.
- 3.9 It should be noted that often the earlier a concern is expressed the easier it is to take appropriate action.
- 3.10 The individual should ask the person to whom they are making the complaint what the next steps will be and if anything more is expected from them.
- 3.11 Although a person is not expected to prove the truth of an allegation that is made, it will be necessary to demonstrate that there are sufficient grounds for concern. It is not necessary for any person to undertake investigations into their concern prior to contacting the council as this may undermine any ultimate action needing to be taken.

- 3.12 Advice and guidance on how specific matters of concern may be pursued can be obtained from the council's internal audit service. The officer nominated to lead on whistleblowing is Faye Haywood, internal auditor manager who can be contacted by email on fhaywood@S-NORFOLK.GOV.UK
- 3.13 Alternatively employees may wish to get confidential advice from their trade union or professional association
- 3.14 Employees may wish to consider discussing their concerns with a colleague first and may find it easier to raise the matter if there are two (or more) of them who have had the same experience or concerns.
- 3.15 Where a person feels that they cannot approach anyone in the council, they may wish to report their concerns through the external independent reporting scheme called Protect. Protect are an independent charity providing a legal advice service designated by the Bar Council and information provided to Protect is protected under the Public Interest Disclosures Act. Their lawyers provide confidential advice free of charge and their contact details are:
- Telephone number: 020 3117 2520.
 - Email: whistle@protect-advice.org.uk
 - Website: <https://protect-advice.org.uk>

4 Supporting the individual to raise a concern

Harassment or victimisation

- 4.1 The council recognises that the decision to raise a concern can be difficult, not least because of the fear of reprisals.
- 4.2 The council will not tolerate harassment or victimisation and will take action to protect individuals who raise concerns. This does not mean that if the individual raising the concern is the subject of informal or formal, procedures, that those procedures will be halted as a result of raising a concern under this policy.
- 4.3 Officers should not release information which identifies whistle-blowers without their permission, unless there is a requirement to do so (e.g. a court order).
- 4.4 Any person applying pressure upon such officers to identify whistleblowers shall be subject to the same provisions as outlined in 4.6 below.
- 4.5 Where a whistle-blower alleges they are / have been victimised / harassed as a result of raising a concern that matter shall be referred to an appropriate officer to deal with and investigate. Appropriate officers will include the s151 officer (chief finance officer), monitoring officer, head of HR and learning. Where the investigations may identify the whistle-blower, either indirectly or directly, the way forward shall be discussed with the whistle-blower and any resultant action confidentially reported to the chair of the audit committee where appropriate.
- 4.6 Each case will be considered on its merits. If anyone is found to have victimised or harassed someone, who has made a referral under this policy, it would normally be considered:
- a matter of gross misconduct if carried out by an employee of the council
 - a matter for the council to consider termination of a contract, if it is carried out by or at the request of a contractor. If there are concerns that a contractor is victimising, or has victimised, a whistle-blower an independent review may be requested.
 - a matter that would be referred to the standards committee, if it relates to

member conduct

- a matter that could affect service provision, if it relates to a customer.

Confidentiality

- 4.7 All concerns will be treated in confidence and every effort will be made not to reveal the identity of the person highlighting the concern if that is the wish of the individual.
- 4.8 Information may be shared with officers to help progress any relevant investigation, but in a form which does not endanger confidentiality.
- 4.9 It must be appreciated that the investigation process may reveal the source of the information and a statement by the individual raising the concern may be required as part of the evidence.
- 4.10 Referrals will be recorded so that summary information can be reported to the council's audit committee to illustrate trends.

Anonymity

- 4.11 Individuals are encouraged to put their name to any allegation. The council will do its best to protect the individual's identity when they do not want their name disclosed.
- 4.12 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the council. In exercising this discretion, the factors to be taken into account would include:
- seriousness of the issue
 - credibility of the concern
 - likelihood of being able to obtain the necessary information.

Untrue allegations

- 4.13 Any individual who makes an allegation which is not subsequently confirmed by the investigation, will have no action taken against them and will continue to have protection under this policy from victimisation or harassment.
- 4.14 If, however, an individual makes malicious or vexatious allegations, action may be taken against them. Maliciously making a false allegation is a disciplinary offence.

5 How the council will respond

- 5.1 The council offers various routes for concerns to be raised. To ensure that they are processed appropriately, and to help direct a prompt response, referrals will be reviewed by the internal audit manager, the monitoring officer and the head of human resources and learning at the earliest opportunity to agree the best approach.
- 5.2 The action taken by the council will depend on the nature of the concern. Where appropriate, the matters raised may:
- be investigated by management, internal audit, or other appropriate person
 - be referred to the external auditor
 - be referred to the police
 - form the subject of an independent inquiry.
- 5.3 In order to protect individuals and the council, an initial investigation will be carried out to decide whether a full investigation is appropriate and, if so, what form it should take. Concerns or allegations, which fall within the scope of specific procedures, for example, safeguarding or discrimination issues, will normally be referred for consideration under those procedures.

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- 5.4 It should be noted that some concerns may be resolved by agreed action without the need for investigation. Equally some issues may be investigated without the need for initial enquiries. If urgent action were required, this would be taken before any investigation is conducted.
- 5.5 The council will write to the person raising the concern within seven working days (i.e. the individual or representative with whom the report was lodged) to:
- acknowledge that the concern has been received
 - indicate how it proposes to deal with the matter
 - give an indication of when a final response or update will be provided
 - inform the person whether any initial enquiries have been made
 - supply the person with information on employee support mechanisms, and
 - inform the person whether further investigations will take place and, if not, why not.
- 5.6 Every effort will be made to resolve the matters raised as soon as possible, in the interests of the council, the person raising the concern and the person(s) being investigated.
- 5.7 The amount of contact between the officers considering the issues and the person raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information may be sought from the person raising the concern.
- 5.8 Where any meeting is arranged, employees have the right, if they so wish, to be accompanied by someone, such as a trade union representative or a work colleague, who is not involved in the area of work to which the concern relates.
- 5.9 The council will take appropriate steps to minimise any difficulties, which a person may experience as a result of raising a concern and provide advice and support should they be required to give evidence, e.g. at a disciplinary hearing.
- 5.10 The council accepts that the person raising a concern needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, the person raising the concern will be kept informed as the investigation progresses unless they have requested otherwise. At the very least they should receive an update on the investigation by the date implied by the estimated response time given in section 5.4.

6 How the matter can be taken further

- 6.1 This policy is intended to provide an avenue to raise concerns within the council. The council hopes that those using this process will be satisfied with the way their concerns are treated and any investigations that may be carried out. However, if they are not satisfied and feel it right to take the matter outside the council, the matter can be raised with:
- Protect on 020 3117 2520 or whistle@protect-advice.org.uk
 - a solicitor
 - relevant professional bodies or regulatory organisations, such as:
 - HM Revenues and Customs
 - Financial Conduct Authority
 - Competition and Markets Authority
 - Health and Safety Executive
 - Environment Agency
 - Independent Police Complaints Commission
 - Serious Fraud Office
- 6.2 In taking advice from sources outside the council a person must ensure that, so far as possible, it is raised without confidential information being divulged. Also a person would, other than in exceptional circumstances, be expected to have exhausted the internal routes available first.
- 6.3 Any individual has the right and responsibility to refer a concern to the police if they suspect a criminal act.

7 Roles and responsibilities

Framework

- 7.1 The responsibility for the operation of this policy rests with the corporate leadership team to ensure all employees are fully aware of its provisions.
- 7.2 Audit committee is responsible for assuring the council that the risks across the council are being identified and managed. It is therefore responsible for ensuring that this policy is robust in identifying concerns and that the identified risks are addressed. It is also responsible for ensuring that the principles within this policy are upheld.

Investigations

- 7.3 Investigations should be undertaken by appropriate officers with relevant expertise, and may be someone independent of the person receiving the referral. Internal audit (IA) and human resources (HR) will jointly ensure that investigations are swift and effective and undertaken by someone with relevant skills and experience. IA and HR will act as the corporate services who maintain records of all referrals and subsequent investigations received by the council. Additionally:
- 7.4 IA will lead on all financial referrals, including those where there are significant financial implications to an allegation, whilst not explicit within the referrals. The audit team will ensure that concerns raised through the informal process are logged and trends identified.
- 7.5 HR will lead on allegations regarding serious misconduct of council employees. The HR team will advise and support employees involved in the investigation process to ensure that such processes are fair and supportive to all those involved.

- 7.6 The monitoring officer will lead on allegations regarding misconduct of councillors.

Line managers

- 7.7 Line managers must create an open and fair culture within their area of responsibility and ensure that employee concerns are listened to and action taken where necessary.
- 7.8 They are responsible for ensuring that there is a safe environment for employees to raise their concerns and that there is no retribution as a result of someone raising their concerns.

Employees

- 7.9 In all contracts of employment there is an implied understanding of mutual trust and confidence between the employer and employee. All employees, therefore, have a responsibility to raise concerns about work and they may do so in the manner described in this policy.

8 How the policy will be monitored and reviewed

Monitoring

- 8.1 The council has a responsibility for registering the nature of all concerns raised and to record the outcome. The council's internal audit service will produce an annual report, which will identify any patterns of concern and assess the effectiveness of the policy.
- 8.2 This policy will be publicised via the council's website and specifically:
- every new employee will be provided a copy of the policy when joining the council
 - every contract will require the contractor to communicate the policy to their employees and adopt its provisions when working for the council
 - every employee of a joint venture or company owned by the council will be provided a copy of the policy when joining the JV or company, together with training on the whistleblowing procedures of their organisation and the circumstances where each policy will apply.
 - all newly elected members should be provided a copy of the policy.
- 8.3 Promotional material will be produced and placed in appropriate areas to raise awareness of the policy and invite feedback.
- 8.4 Surveys will be undertaken to gauge the awareness of the policy, and individual whistleblowers will be asked more detailed questions about their perceptions of the policy in practice.

Review

- 8.5 This procedure will be kept under review and any amendments will be subject to consultation with employee representatives.

9 Annex A

Procedure for contractors / partners, employees of subsidiaries

- 9.1 As a first step contractors should normally raise concerns with their manager, who will then inform the lead council officer who is dealing with that particular contract. If contractors do not have a manager, they should raise their concerns direct with the lead council officer. This depends on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if contractors believe that their manager or lead council officer is involved, they should approach the internal audit manager at the council directly. Otherwise, the lead council officer receiving notification of concerns under this policy will inform the internal audit manager that a confidential report has been received and provide a copy.
- 9.2 If the concern relates to financial irregularities or failures of financial controls the lead council officer receiving the report will also immediately notify the internal audit manager.
- 9.3 Concerns may be raised verbally or in writing. Individuals who wish to make a written report are invited to use the following format:
- the background and history of the concern, giving relevant dates if possible
 - the reason why the individual is particularly concerned about the situation.
- 9.4 It should be noted that often the earlier a concern is expressed the easier it is to take appropriate action.
- 9.5 Advice and guidance on how specific matters of concern may be pursued can be obtained internally from the internal audit service. Alternatively contractors may wish to get confidential advice from their trade union or professional association.
- 9.6 Contractors may wish to consider discussing their concerns with a colleague first and may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.
- 9.7 Contractors may invite someone, such as their trade union or a work colleague, to be present during any meetings or interviews in connection with the concerns they have raised.

10 Annex B

General survey

- (1) Have you thought about using the whistleblowing policy in the last 12 months?
- (2) If yes, but you didn't make a referral, what prevented you?
- (3) On a scale of 1-10 (with 10 being perfect) how would you rate the policy in meeting the needs of someone who has concerns about the councils services?
- (4) If you answered less than 10, what can we do to change so that we would score 10?

Specific Survey for those who have raised a concern

- (1) On a scale of 1-10 (with 10 being perfect) how good do you feel the council's whistleblowing arrangements are?
- (2) If you answered less than 10, what can we do to improve so that we would have scored a 10?
- (3) Were you able to obtain sufficient advice before making your referral?
- (4) Did you use normal management structures or the corporate officers?
- (5) Were your concerns properly addressed?
- (6) Were the implications of a referral (e.g. confidentiality and timescales) explained to you?
- (7) Were you provided with regular feedback (if you wanted it)?
- (8) If you asked for confidentiality was that effectively provided?
- (9) Do you feel you suffered harassment, victimisation or any other negative consequence from raising your concern?



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