

| Report of: | Meeting | Date |
|--|----------------------------------|------------------|
| Audit and Risk Manager (Chief Internal Auditor) | Audit and Standards Committee | 14 November 2023 |

INTERNAL AUDIT AND RISK MANAGEMENT PROGRESS REPORT

1. Purpose of report

- 1.1** To review progress in relation to the 2023/24 audit plan and risk management and to consider progress against the action plan resulting from the 2022/23 Annual Governance Statement (AGS).

2. Outcomes

- 2.1** Effective leadership of audit and governance issues allowing the council to demonstrate that arrangements are in place to maintain a sound system of internal control.

3. Recommendation

- 3.1** Members are asked to note the progress reports attached at Appendices 1, 2 and 3.

4. Background

- 4.1** The Audit and Standards Committee has a clear role in relation to the authority's internal audit function and this involves:
- Formally approving, but not directing, the overall strategy to ensure that it meets the council's overall strategic direction;
 - Approving the annual programme of audits paying particular attention to whether there is sufficient and appropriate coverage and;
 - Monitoring progress against the plan and assessing whether adequate skills and resources are available to provide an effective audit function.
- 4.2** The Audit and Standards Committee's role in relation to reviewing the work carried out will include formal consideration of summaries of work done, key findings, issues of concern and actions planned as a result of audit work. A key part of the role is receiving and reviewing regular reports from the Audit and Risk Manager (Chief Internal Auditor) in order

to reach an overall opinion on the internal control environment and the quality of internal audit coverage.

5. Key Issues and proposals

- 5.1 The progress reports in relation to Internal Audit, Risk Management and the action plan resulting from the 2022/23 AGS are attached at Appendices 1, 2 and 3.

| Financial and legal implications | |
|---|--|
| Finance | There are no financial implications that impact the Internal Audit and Risk Management progress report. The annual programme of audits is completed by the in-house team and the Lancashire County Council Internal Audit Service. |
| Legal | Effective audit and risk management assist in good governance and probity of council actions. |

Other risks / implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with an x.

| risks/implications | ✓ / x | risks/implications | ✓ / x |
|---------------------------|--------------|---------------------------|--------------|
| community safety | x | asset management | x |
| equality and diversity | x | climate change | x |
| sustainability | x | ICT | x |
| health and safety | x | Data Protection | x |

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

| report author | telephone no. | email | date |
|----------------|---------------|--|------------|
| Karen McLellan | 01253 887586 | Karen.mclellan@wyre.gov.uk | 01/11/2023 |

| List of background papers: | | |
|-----------------------------------|------|--------------------------------|
| name of document | date | where available for inspection |
| None | | |

List of appendices

Appendix 1 – Internal Audit Progress Report

Appendix 2 – Risk Management Progress Report

Appendix 3 – Annual Governance Statement 2022/23; Action plan update

Appendix 4 – Public Sector Internal Audit Standards (PSIAS) Peer Review Report 2023

INTERNAL AUDIT PROGRESS REPORT – APRIL to NOVEMBER 2023

THE AUDIT PLAN AND DELIVERY

The Internal Audit and Risk Management Section is responsible to the Corporate Director Resources (Section 151 Officer) for carrying out a continuous examination of the accounting, financial and other operations of the council in accordance with Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2015 (as amended in 2021). The latter states that ***“the relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk.”***

The table overleaf summarises audit work performed since the last progress reported at the Audit and Standards Committee meeting on 20 June 2023. Copies of both terms of reference and internal audit reports are published on the council’s hub and the councillor’s portal and access to the supporting files are available on request.

Wyre Council attends the Lancashire District Council’s Audit Group and continues to participate in the Cabinet Office National Fraud Initiative data sharing exercise. The Insurance and Business Continuity Officer now participates in the North West Insurance Officer Group with other local authorities across Lancashire and is a member of the Association of Local Authority Risk Managers (ALARM).

Internal Audit will continue to provide the council with the necessary assurance about its various activities and associated systems, as outlined in the council’s Internal Audit Charter which is reviewed and approved by the Audit and Standards Committee annually.

To facilitate the flexible retirement of the Audit and Risk Manager, the 2023/24 audit plan is being completed by the in-house team and Lancashire County Council’s Internal Audit Team. The ICT support framework managed by Lancashire County Council is also available should additional expertise be required in this specialised area.

Internal audit work is benchmarked where possible with other local district councils who participate in the Public Sector Internal Audit Standards (PSIAS) peer reviews to ensure that quality and standards are maintained. In addition, the standardised working papers along with a robust review process prior to report publication, ensures continual conformance to the PSIAS, consistency and high standards of reporting are maintained.

An electronic feedback questionnaire was introduced during 2022/23 to obtain feedback on all completed audit reviews. A summary of this feedback will be provided to the Audit and Standards Committee in June 2024 as part of the annual opinion.

Audit Work Performed April to November 2023

The tables below contain the definitions of the overall assurance opinion and priority ranking / risk rating which will be used by Wyre Council and Lancashire County Council, together with a summary of the reviews completed since the last Annual Report in June 2023:

Wyre Council Reports

Audit Opinion Definitions

| | |
|-------------------------------|--|
| Substantial | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. |
| Reasonable | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |
| Limited | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. |
| Minimal / No Assurance | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |

Priority rankings

| | |
|----------------|---|
| Level 1 | The framework of control is adequately designed and / or effectively operated overall. |
| Level 2 | The framework of control is adequately designed and / or effectively operated overall, but some action is required to enhance aspects of it and / or ensure that it is effectively operated throughout. |
| Level 3 | There are some significant weaknesses in the design and / or operation of the framework of control that put the achievement of its objectives at risk. |
| Level 4 | There are some fundamental weaknesses in the design and / or operation of the framework of control that could result in failure to achieve its objectives. |

| TITLE | STATUS | RECOMMENDATIONS – PRIORITY RANKINGS | | | | | AUDIT OPINION | Summary |
|--|--|-------------------------------------|-----|-----|-----|-----|--|---------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| Inspection Regime – Site Inspections (3rd follow up) | Final report issued August 2023 | N/A | 6 | 1 | N/A | N/A | <p>Good (refer to the old Wyre definitions)</p> <p>The original review of Site Inspections was completed in October 2020 as part of the 2019/20 audit plan and given an overall opinion of ‘fair’. Two further follow up reviews were completed as part of the 2021/22 audit plan, which identified that there had been no movement in the 7 findings originally reported, resulting in the opinion remaining unchanged.</p> <p>As reported to the Audit and Standards Committee on 28 February 2023, a third follow-up was carried out and this was completed on 21 June 2023. Of the 7 findings originally reported, 5 actions had been fully implemented. The remaining 2 were partially implemented, namely;</p> <ul style="list-style-type: none"> • A documented inspection policy / procedure or staff guidance manual was in the process of being compiled for all departments; and • A review of the inspection records / processes being used by each team is in the process of being completed. An electronic recording system is to be considered. <p>As a result of the above, the audit opinion was increased to ‘good’. A further follow-up review is not required, however, the implementation of the two remaining recommendations will be monitored using the GRACE risk management system.</p> | |
| Beach Management Scheme | On-going | N/A | N/A | N/A | N/A | N/A | <p>The Audit and Risk Manager continues to attend the monthly beach management project meetings to provide advice and support in respect of internal control, risk management and governance procedures. It is not anticipated that a report will be published in relation to this work. However, an overall opinion on the control environment in</p> | |

| TITLE | STATUS | RECOMMENDATIONS – PRIORITY RANKINGS | | | | | AUDIT OPINION | Summary |
|--|---|-------------------------------------|-----------|----------|----------|----------|----------------|---|
| | | 1 | 2 | 3 | 4 | 5 | | |
| | | | | | | | | relation to this project will be provided in the Internal Audit Annual report for 2023/24. |
| Data Protection Policy and process review (follow-up) | on-going monitoring of completed actions | 1 | 12 | 9 | 0 | 0 | Limited | <p>Areas have been identified where improvements could be made to strengthen the control environment, namely;</p> <ul style="list-style-type: none"> • Information Asset Registers require reviewing and updating; • Reliance is placed on individual service managers to ensure all processors comply with the terms of any written contracts or data sharing agreements; • A number of individual service privacy notices are still required; • The completion of Data Privacy Impact Assessments are not routinely completed for all data processing activities; • No DPA refresher training is completed for existing staff; • Regular monitoring of outstanding FOI / EIR cases is required; • Access to redaction software is limited to key staff; • FOI / EIR is not currently included in the induction process for new starters; • A separate information security policy and training programme is required; • A central register showing third party / IT suppliers access to systems is required; and • A review of contracts / agreement in place with IT suppliers is required to ensure these included the relevant information security requirements. <p>As this review has received a 'limited assurance opinion', further follow-ups will be completed at regular intervals to ensure the recommendations</p> |

| TITLE | STATUS | RECOMMENDATIONS – PRIORITY RANKINGS | | | | | AUDIT OPINION | Summary |
|---|--|-------------------------------------|----------|----------|------------|------------|--------------------------|--|
| | | 1 | 2 | 3 | 4 | 5 | | |
| | | | | | | | | are being addressed at a satisfactory pace. It is noted whilst a number of the above recommendations have been actioned, there is a large piece of work required in respect of bringing the council's Information Asset Registers up to date and until this is completed, the assurance opinion will remain at Limited. |
| Building Maintenance Re-active Repairs framework | Final report issued August 2023 | 1 | 6 | 1 | N/A | N/A | Limited assurance | <p>Areas have been identified where improvements could be made to strengthen the control environment, namely;</p> <ul style="list-style-type: none"> • Feedback on contractor performance is not routinely obtained in accordance with the framework agreement; • Verbal quotes are not routinely followed up with written quotes; • Quotations received are stored in officer email accounts creating a single point of failure in their absence; • Purchase orders do not set out the cost of works in all instances; • Works are not procured in line with the terms and conditions of the framework in all instances; • All contractors are required to have £10m employers and public liability insurance in accordance with the framework agreement; and • Valid contracts with each contractor are not in place as the framework agreement had not been formally extended beyond July 2022. <p>As this review has received a 'limited assurance opinion', a further follow-up will be completed in December 2023 to ensure the recommendations made have been addressed.</p> |

| TITLE | STATUS | RECOMMENDATIONS – PRIORITY RANKINGS | | | | | AUDIT OPINION | Summary |
|--|---|-------------------------------------|-----------|----------|------------|-----------|-----------------------------|--|
| | | 1 | 2 | 3 | 4 | 5 | | |
| Procurement including The Chest portal - Key Financial Risk Matrix (KFRM) | KFRM issued to Head of Governance and Business Support | N/A | N/A | N/A | N/A | N/A | Reasonable Assurance | <p>In April 2022, a significant breach of the procurement regulations was found to have taken place. A detailed action plan was formulated to address the issues identified. One of the actions related to the completion of a key financial system matrix to document all controls in relation to the procurement process to identify any areas requiring improvement.</p> <p>Whilst a formal report has not been published in relation to this work, for the purpose of this report a 'reasonable assurance' opinion has been given and working papers are in place to support this opinion.</p> <p>No follow-up review is required, however, the implementation of the recommendations made will be monitored using the GRACE risk management system.</p> |
| Marine Hall | Final Report issued June 2023 | 5 | 13 | 2 | N/A | 20 | Minimal Assurance | <p>Areas have been identified where improvements could be made to strengthen the control environment, namely:</p> <ul style="list-style-type: none"> • A revised service plan is required; • The production of a programme of events 6 to 12 months in advance of the forthcoming year to include the production of a 'What's on Brochure'; • The production of a clear communications plan and review of advertising material; • Introduction of standardised wedding packages together with a review of the suppliers used; • Routine updating of the lettings spreadsheet to monitor all show costs and income received; • Availability of the completed event sheet on a shared drive to enable access by key staff; |

| TITLE | STATUS | RECOMMENDATIONS – PRIORITY RANKINGS | | | | | AUDIT OPINION | Summary |
|-------|--------|-------------------------------------|---|---|---|---|---------------|---|
| | | 1 | 2 | 3 | 4 | 5 | | |
| | | | | | | | | <ul style="list-style-type: none"> • Bookings to be entered into the bookings diary in a timely manner to avoid duplicate bookings; • The procedure manual requires updating and communicating to all staff; • A revised staffing structure is required to include an extensive review of current job descriptions to clarify staff responsibilities; • Continual monitoring of the Crown time recording system is required to monitor outstanding debit / credit balances / TOIL balances and sickness recording; • Review of the internal CCTV system to ensure there is adequate coverage; • Completion of annual appraisals required; • Network access to the councils ICT network required for all staff requiring access; • Review of the ICT equipment supplied to the Technicians is required; • The accurate recording of VAT for fees and charges relating to theatre income requires monitoring; • Civica training required for key staff to enable invoices to be issued; • Timing out issues between the Patronbase and Civica system needs to be resolved to avoid duplicate ticket sales; • A review of the goods and services purchased by the Marine Hall is required; • Purchases using the purchase cards allocated should be regularly reviewed and authorised for payment; • Further training on the EPOS till and stock system is required to ensure these systems are correctly configured and staff are fully trained on the use of these; • Completion of quarterly stock takes are required; |

| TITLE | STATUS | RECOMMENDATIONS – PRIORITY RANKINGS | | | | | AUDIT OPINION | Summary |
|---|---|-------------------------------------|------------|------------|------------|------------|-----------------------------|---|
| | | 1 | 2 | 3 | 4 | 5 | | |
| | | | | | | | | <ul style="list-style-type: none"> Access permissions to the till / stock system should be reviewed to allow staff to perform the required transactions; and Implementation of the actions arising from the Health and Safety review in January 2023 is required. <p>As this review has received a ‘minimal’ assurance opinion’, a further follow-up will be completed in November 2023 to ensure the recommendations made have been addressed.</p> |
| Civica Pay | Fieldwork in progress | | | | | | | <p>The overall object of the audit is to review the controls in place around the Civica Pay system to identify any areas of potential weakness and / or risk and provide an overall opinion whether the controls in place are managed adequately and effectively.</p> <p>The fieldwork will be completed within the next few weeks and a report issued accordingly.</p> |
| Danfo – Public Conveniences Income | Briefing note issued to the Corporate Director Resources | N/A | N/A | N/A | N/A | N/A | Reasonable Assurance | <p>An assurance piece of work was completed following a request from the Corporate Director Resources to validate the income received from the public conveniences.</p> <p>Whilst a formal report has not been produced for this piece of work, for the purpose of this update a ‘reasonable assurance’ opinion has been given.</p> |
| Recruitment and Selection | Fieldwork in progress | | | | | | | <p>The overall object of the audit is to review the controls in place around the Recruitment and Selection processes to identify any areas of potential weakness and / or risk and provide an overall opinion whether the controls in place are managed adequately and effectively.</p> |

| TITLE | STATUS | RECOMMENDATIONS – PRIORITY RANKINGS | | | | | AUDIT OPINION | Summary |
|--|---|-------------------------------------|------------|------------|------------|------------|--------------------|--|
| | | 1 | 2 | 3 | 4 | 5 | | |
| | | | | | | | | The fieldwork will be completed within the next few weeks and a report issued accordingly. |
| NNDR – Key Financial Risk Matrix (KFRM) | Draft report | | | | | | | <p>The overall objective of the completion of a key financial risk matrix is to review the controls in place around the NNDR systems and processes to identify any areas of potential weakness and / or risk and provide an overall opinion as to whether the controls in place are managed adequately and effectively.</p> <p>The final report will be issued shortly.</p> |
| PCI compliance | Position statement being drafted | N/A | N/A | N/A | N/A | N/A | Substantial | <p>The Audit and Risk Manager observed the ICT Services Manager, Financial Systems, Reporting and Transformation Manager and the ICT Digital Programme Lead complete an on-line Payment Card Industry (PCI) Data Security Standard (DSS) self-assessment questionnaire on the 10 October 2023. As a result, the council achieved full compliance which will remain in place until 10 October 2024. However it was noted that a further ‘scan’ of the council’s controls around card payments would be required on the 1 January 2024.</p> <p>Whilst no further work will be completed by Internal Audit, on-going compliance with the standard will be monitored by the above officers and any deviations from full compliance will be reported to Internal Audit.</p> |

Lancashire County Council Reports

Overall Assurance Rating

| | |
|-----------------------|---|
| Substantial Assurance | The framework of control is adequately designed and / or effectively operated overall. |
| Moderate Assurance | The framework of control is adequately designed and / or effectively operated overall, but some action is required to enhance aspects of it and / or ensure that it is effectively operated throughout. |
| Limited Assurance | There are some significant weaknesses in the design and/ or operation of the framework of control that put the achievement of its objectives at risk. |
| No Assurance | There are some fundamental weaknesses in the design and / or operation of the framework of control that could result in failure to achieve its objectives. |

Audit Finding Risk Rating

| | |
|-----------------------|--|
| Extreme residual risk | Critical and urgent in that failure to address the risk could lead to one or more of the following occurring: catastrophic loss of the council's services, loss of life, significant environmental damage or significant financial loss, with related national press coverage and substantial damage to the council's reputation. Remedial action must be taken immediately. |
| High residual risk | Critical in that failure to address the issue or progress the work could lead to one or more of the following occurring: failure to achieve organisational objectives, significant disruption to the council's business or to users of its services, significant financial loss, inefficient use of resources, failure to comply with law or regulations, or damage to the council's reputation. Remedial action must be taken urgently. |
| Medium residual risk | Failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. Prompt specific action should be taken. |
| Low residual risk | Matters that individually have no major impact on achieving the service's objectives, but where combined with others could give cause for concern. Specific remedial action is desirable. |

| TITLE | STATUS | RECOMMENDATIONS | | | | Summary |
|---------------------------------------|----------------------------------|-----------------|------|-----|-----|--|
| | | Extreme | High | Med | Low | |
| Payroll | Terms of Reference agreed | | | | | The overall objective of the audit is to review the controls in place around the council's payroll processes to identify any areas of potential weakness and / or risk and provide an overall opinion as to whether the controls in place are managed adequately and effectively. |
| Household Support Fund | Fieldwork in progress | | | | | The overall objective of the audit is to review the controls in place around the council's management of the Household Support Fund to identify any areas of potential weakness and / or risk and provide an overall opinion as to whether the controls in place are managed adequately and effectively. |
| Assurance Mapping Verification | Fieldwork in progress | | | | | The overall objective of the audit is to review the controls in place around the current assurance mapping processes to identify any areas of potential weakness and / or risk and provide an overall opinion as to whether the controls in place are managed adequately and effectively. |

Outstanding work to be completed in 2023/24 (ending 31 March 2024)

In-house Internal Audit Team

- National Fraud Initiative (NFI) – Annual Single Person Discount Data Matching exercise
- Grant schemes – compliance with terms and conditions
- Assurance mapping exercise to assist the compilation of the 2023/24 audit plan
- Election accounts
- UK Shared Prosperity Fund (UKSPF)
- Climate change (position statement)
- Hybrid working arrangements (post pandemic)
- Disaster recovery / cyber security
- Cash Collection Service
- Certification of Penalty Charge Notices (PCNs)
- Risk management process – peer review

LCC Internal Audit Team

- Asset Management
- Planning Service – Development Management

Other audit work undertaken during the year 2023/24

National Fraud Initiative – Cabinet Office data matching exercise

Since the last NFI update was presented to the Committee in June 2023, progress has been made to investigate the matches resulting from the 2022/23 two yearly exercise resulting in the majority of the 541 matches being investigated and closed. Four errors have been identified totalling £3,670.96 which the council is looking to recover. In respect of the annual council tax single person discount (SPD) data matching exercise, using NEC campaign software, the Compliance Team issued a standard letter to all households in council tax bands D, E, F, G and H in receipt of SPD, requesting confirmation of their current circumstances. Where the SPD has been cancelled as a result of this exercise, the matches have been actioned in the NFI portal and the resulting overpayments of £2,751.56 recorded. The team are in the process of issuing letters to households in council tax bands A, B and C, the results will be actioned in the NFI portal in due course.

Peer review of Internal Audit

In order to comply with the Public Sector Internal Audit Standards (PSIAS) an external assessment must be conducted at least once every five years by a qualified independent assessor or assessment team from outside the organisation. External assessments can be in the form of a full external assessment, or a self-assessment in-house with independent external validation. It was agreed by the Lancashire District Chief Auditors group and validated by the Audit and Standards Committee, that peer reviews would be used to obtain the independent external validation. The council's five yearly peer review was carried out in July 2023 and it is pleasing to note that the Internal Audit Service was found to 'Conform' with the PSIAS. A total of 5 recommendations were made and the Quality Assurance and Improvement Programme

will updated in accordance with these. A copy of the report can be found on the councillor portal.

<https://wyregovuk.sharepoint.com/sites/Councillor-Portal>

Information Governance - Compliance with the Data Protection Act 2018 and UK GDPR

The council's Data Protection Officer (DPO) supported by the Information Governance Group (IGG) work together to ensure the council is compliant with data protection legislation. The DPO, Deputy DPO and the Audit and Risk Manager continue to support officers across the council in ensuring the council's data protection obligations are met, mainly offering guidance and support in respect of data sharing and privacy notices. The DPO reports quarterly to the Corporate Management Team (which includes the SIRO), with the last update being 2 August 2023 and the next update being scheduled for the 22 November 2023. The bullet list below provides the committee a flavour of the main pieces of work that have been completed since April 2023:

- Work is continuing in respect of actioning the recommendations that were made following the DP/GDPR Compliance Audit which took place in 2021/22. Whilst good progress has been made and a number of recommendations have been actioned, the largest piece of work (the refresh of the Information Asset Registers) is still outstanding owing to limited resources to take this forward. However it is hoped that more resources will shortly be identified to assist with this. Internal Audit will continue to carry out regular monitoring until the audit opinion has been increased to a satisfactory assurance level.
- The DPO has recently submitted an Information Governance Training Programme to CMT. This will be updated and monitored by the Information Governance Group. A copy of this will shortly be added to the Councillor Portal.
- Following the roll out of the cyber security e-learning module on Learning Pool to all staff, to date approximately 220 staff have now completed this on-line training. There are still a few officers that are yet to complete this. However these are being followed up by their Directors. Officers will be expected to complete the exercise annually in accordance with the Information Governance Training Programme.
- The ICT Team have recently re-launched the ICT Computer User Policy and User Agreement and have requested that all staff read the agreement and sign to verify that they have read and understood the content. Whilst a large number of staff have completed this (160 to date) a reconciliation is to be carried out against the establishment to identify any officers who are still required to complete this exercise as it is noted that not all staff have ICT access.
- Cyber / Disaster Recovery – key risks continue to be monitored through the GRACE risk management system and are reviewed on a quarterly basis by the Corporate Director Resources, Head of Governance and Business Support and the ICT Service Manager. The council has now completed the installation of its disaster recover solution kit and 24/7 monitoring solution (Artic Wolf). A draft cyber resilience plan has now been completed and will shortly be presented to CMT for final approval.

- The DPO continues to log and investigate all data incidents. Since April 2023, there have been no reported incidents to the ICO. However there have been six data incidents that have been logged and investigated. The council has received legal correspondence in relation to an incident that was reported to the ICO in July 2022 in respect of a data subjects address being shared to another party without their consent. Whilst the ICO concluded that they were not taking any further action, a compensation request from the data subject's solicitor has been made.
- The IGG have recently refreshed the council's Data Protection Policy, Records Management Policy and Subject Access Request Procedure. All of which have been submitted to the Audit and Standards Committee for approval at their meeting on the 14 November 2023.

Anti-Fraud and Corruption

All the council's counter fraud policies are reviewed annually by the Audit and Standards Committee, with the last review being completed in November 2023. The policies are located on the Hub to allow staff easy access. The council's four counter fraud policies are as follows;

- Counter Fraud, Corruption and Bribery;
- Anti-Money Laundering;
- Gifts and Hospitality and Registering Interests, and;
- Whistleblowing.

Anti-Money Laundering - To date, there has been no reports of suspected money laundering during 2023/24.

Gifts, Hospitality and Registering Interests – There have been 3 declarations made by council officers receiving gifts and hospitality since the 1 April 2023. A reminder will go out in the December Core Brief for staff to use the online form to register any gifts or hospitality received and to report any registered interests they may have in relation to council business.

Whistleblowing / Investigations

There have been two whistleblowing / investigations instances since 1 January 2023.

A whistleblowing call was received on 16 February 2023. This has been investigated by the Audit and Risk Manager and the Audit Risk and Performance Lead and a report of the findings has been passed to the Corporate Director Environment for his consideration. The Audit and Standards Committee Chairman has been provided with an overview of the whistleblowing and a further update will be provided to the Audit and Standards Committee once the investigation has been concluded.

The second instance related to a member of staff carrying out personal activities during their working hours. Whilst the investigation did not substantiate the allegations made, a number of other observations were made in respect of the individual's behaviours during the working day which have been documented in a report and presented to the Corporate Director Communities and their Head of Service for the appropriate action to be taken.

RISK MANAGEMENT PROGRESS REPORT

Progress on the embedding of risk management is reported to the Audit and Standards Committee via six monthly reports. This is in line with the council's Risk Management Policy which is reviewed and approved annually by the Audit and Standards Committee.

The council's strategic, operational and ICT risks are now populated within the risk management system (GRACE) and action plans have been added to assist with the mitigation of the risks identified.

Strategic Risks

The Corporate Management Team (CMT) met on 12 January 2023 to carry out the annual strategic risk workshop. The results of the workshop were presented to what was then the Audit Committee at its meeting in June 2023. At the workshop, significant business risks that may impact upon the council's priorities (the business plan) were identified and assessed, and appropriate control measures were put place. Progress is monitored on a quarterly basis by CMT, including a more comprehensive six monthly review which was completed on 11 October 2023. The results of this review are available on the Councillor Portal.

The next strategic risk workshop will be held on 18 January 2024.

Operational Risks

Operational risk workshops were held this year following the strategic risk workshop in March, with each service unit identifying new risks that could occur during the year preventing the achievement of individual service plans. Whilst staff who have responsibilities for identified risks are encouraged to review their risks and update their action plans continually throughout the year, prompts have been issued to staff during the year to ensure progress was being documented. Individual operational risk registers have not been provided as part of this report as operational risks are reported to the Audit and Standards Committee on an 'exceptions' basis where any risks are not managed appropriately.

The Audit and Standards Committee are encouraged to go and view the risks identified by each service unit on the Councillor Portal (link below) and challenge any areas where limited progress is being made to mitigate the risks identified.

<https://wyregovuk.sharepoint.com/sites/Councillor-Portal>

ICT Risks

The council's ICT risk register is reviewed quarterly by the Corporate Director Resources, Head of Governance and Business Support and ICT Services Manager. The last review was completed on 8 November and the updated register is available on the Councillor Portal.

To follow