



**MEETING** : AUDIT AND GOVERNANCE COMMITTEE  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : THURSDAY 27 MAY 2021  
**TIME** : 7.00 PM

**PLEASE NOTE TIME AND VENUE**

**MEMBERS OF THE COMMITTEE**

Councillor Mark Pope (Chairman)

Councillors A Alder, R Fernando, A Huggins, T Stowe and A Ward-Booth

**Substitutes**

Conservative Group: Councillors J Burmicz and A Curtis

*(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)*

**CONTACT OFFICER: WILLIAM TROOP**

01279 502173

[William.Troop@eastherts.gov.uk](mailto:William.Troop@eastherts.gov.uk)

## **DISCLOSABLE PECUNIARY INTERESTS**

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
  - must not participate in any discussion of the matter at the meeting;
  - must not participate in any vote taken on the matter at the meeting;
  - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
  - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
  - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.

4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

### **Public Attendance**

From 7 May 2021, all committee meetings will return to the Council Chamber at Wallfields, Pegs Lane. If you wish to attend a meeting, please email [democratic.services@eastherts.gov.uk](mailto:democratic.services@eastherts.gov.uk) as spaces are limited due to COVID-19 restrictions. All meetings will continue to be streamed online on the East Herts District YouTube channel (available from YouTube and then searching for the channel) or at this link: <https://www.youtube.com/user/EastHertsDistrict/live>.

If you would like further information, email Democratic Services or call the Council on 01279 655261.

## **Accessing the agenda pack**

To obtain a copy of the agenda, please note the Council does not generally print agendas, as it now has a paperless policy for meetings. You can view the public version of the agenda for this meeting on the Council's website in the section relating to meetings of Committees. You can also use the ModGov app to access the agenda pack on a mobile device. The app can be downloaded from your usual app store.

Implementing paperless meetings will save East Herts Council approximately £50,000 each year in printing and distribution costs of agenda packs for councillors and officers.

You can use the mod.gov app to access, annotate and keep all committee paperwork on your mobile device. Visit <https://www.eastherts.gov.uk/article/35542/PoliticalStructure> for details.

## **AGENDA**

1. Appointment of Vice-Chairman for 2021/22
2. Minutes - 16 March 2021 (Pages 7 - 20)  
To receive the Minutes of the meeting held on 16 March 2021.
3. Apologies
4. Chairman's Announcements
5. Declarations of Interest  
To receive any Member's Declaration of Interest.
6. Questions to the Executive Member for Financial Sustainability
7. 2020/21 Annual Anti-Fraud Report (Pages 21 - 40)
8. Annual Assurance Statement and Internal Audit Annual Report 2020/21  
(Pages 41 - 66)
9. Strategic Risk Register – Monitoring 2020/21 - Quarter 4  
(Pages 67 - 130)
10. Data Protection Update (Pages 131 - 138)
11. Standards Update (Pages 139 - 142)
12. 2020/21 Provisional Outturn - Update  
To receive an oral update from the Head of Strategic Finance and Property on Provisional Outturn 2021/21.

13. Work Programme Proposals 2020-21 (Pages 143 - 152)

14. Urgent Items

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE  
AUDIT AND GOVERNANCE COMMITTEE  
HELD AS AN ONLINE MEETING ON  
TUESDAY 16 MARCH 2021, AT 7.00 PM

PRESENT: Councillor M Pope (Chairman)  
Councillors A Alder, R Fernando, T Stowe  
and A Ward-Booth

ALSO PRESENT:

Councillor G Cutting

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Scrutiny Officer
James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Steven Linnett	- Head of Strategic Finance and Property
Peter Mannings	- Democratic Services Officer
Graham Mully	- Insurance and Risk Business Advisor
William Troop	- Democratic Services Officer

ALSO IN ATTENDANCE:

Nick Jennings	- Shared Anti-Fraud Service (SAFS)
---------------	---------------------------------------

Simon Martin

- Shared Internal Audit  
Service (SIAS)

416 APOLOGY

An apology for absence was submitted on behalf of Councillor Huggins.

417 CHAIRMAN'S ANNOUNCEMENTS

The Chairman said that the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 came into force on Saturday 4 April 2020 to enable councils to hold remote committee meetings during the COVID-19 pandemic period. This was to ensure local authorities could conduct business during the current public health emergency. This meeting of Audit and Governance Committee was being held remotely under these regulations, via the Zoom application and was being recorded and live streamed on YouTube.

418 MINUTES - 10 FEBRUARY 2021

It was moved by Councillor Ward-Booth and seconded by Councillor Alder, that the Minutes of the meeting of the Committee held on 10 February 2021 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, this motion was declared CARRIED.

**RESOLVED** – that the Minutes of the Committee meeting held on 10 February 2021 be confirmed as a correct record and signed by the Chairman.



419 DECLARATIONS OF INTEREST

There were no declarations of interest.

420 SHARED ANTI-FRAUD SERVICE (SAFS) - ANTI-FRAUD PLAN 2021/22

---

The Shared Anti-Fraud Service (SAFS) Officer introduced the report and highlighted the main points to Members.

The Chairman asked what proactive fraud referrals were and if the cost of membership to SAFS was offset by prevented fraud or recovery of funds in discovered fraud.

The SAFS Officer said that proactive referrals were cases in which Officers had identified fraud without an external referral, such as by data matching. Estimated fraud losses/savings from 22 live cases carried forward from 2019/20 were £267,000, which in itself significantly outweighed the cost of the Council's membership. Lots of work, such as face-to-face interviews, had been delayed and meant there was a backlog of cases. However, Members could be assured these cases would be investigated thoroughly in due course.

The Chairman asked how often the Council's whistle-blowing policy was reviewed and by whom, and whether contractors were also monitored. He also asked about the progress of the implementation of the Herts FraudHub.

The Head of Legal and Democratic Services said that although he did not have the details to hand, Members could be assured the whistle-blowing policy would be reviewed cyclically by the appropriate service and be presented to the relevant Committee for approval if changes were required.

The SAFS Officer said that SAFS would carry out work to ensure that all of the Council's processes in terms of tendering and engaging with contractors were compliant in that contracts contained clauses relating to fraud and corruption, and contractors had similar policies. Procurement Officers would play a significant role in this process. The Council's membership to the Herts FraudHub has recently been agreed. This meant that data from East Herts could be contributed to the hub, and data matching could be carried out more regularly in key high-risk areas.

It was moved by Councillor Ward-Booth and seconded by Councillor Alder that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) the Anti-Fraud Plan 2021/22 be approved; and

(B) the report be noted.

421 SHARED INTERNAL AUDIT SERVICE (SIAS) - PROGRESS REPORT

The Shared Internal Audit Service (SIAS) Officer introduced the report and highlighted the main points to Members.

The Chairman asked when the audit of Millstream would take place. He also noted that the number of high priority recommendations had fallen to two and asked whether it was likely that these would be dealt with prior to the next meeting of the Committee.

The SIAS Officer said that it was likely that the Millstream audit would take place in quarter two of the next financial year. There was still a significant amount of work to be done on the remaining high priority recommendations so it was unlikely this would be completed before the next meeting of the Committee.

The Chairman asked about the audit days allotted to 'strategic support', membership of the SIAS board, joint reviews and whether the newsletters produced by SIAS could be circulated to Members.

The SIAS Officer explained that strategic support was time spent providing support to the Head of Strategic Finance and Property and producing the audit plan, for example. Joint reviews occurred when local authorities came together to commission a review into a particular issue. One recent example of this was the Council's partnership with North Herts in auditing waste contracts. Any reports which stemmed from these reviews would be presented to the Committee, although their regularity was dictated by the appetite for the reviews. The SIAS newsletter could be shared with Members going forward.

It was moved by Councillor Stowe and seconded by Councillor Ward-Booth that the recommendations, as detailed, be approved. After being put to the meeting

and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) the Internal Audit Progress Report be noted;

(B) changes to the Internal Audit Plan as at 26 February 2021 be approved; and

(C) the Status of Critical and High Priority Recommendations be noted.

422 SHARED INTERNAL AUDIT SERVICE (SIAS) - INTERNAL AUDIT PLAN 2021/22

---

The Shared Internal Audit Service (SIAS) Officer introduced the report and highlighted the main points to Members.

Councillor Stowe said that the proposed plan in terms of guidance for safe working practises should be expanded to more explicitly and thoroughly consider the risks of working from home in relation to both physical and mental health.

The SAFS Officer said that he was happy to take this comment on board and this area could be worked up in more detail should the audit be taken forward.

It was moved by Councillor Stowe and seconded by Councillor Ward-Booth that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that the proposed East Herts

Council Internal Audit Plan for 2021/22 be approved.

423 QUARTERLY CORPORATE BUDGET MONITOR – QUARTER 3 (DECEMBER 2020)

---

The Head of Strategic Finance and Property introduced the report and highlighted the main points to Members. He said that he believed the overspend was a good result for the Council in view of the challenging circumstances around this budget. Regarding the write off of aged debt, Officers would forego delegation of authority for this year end exercise to allow the Executive enhanced oversight of this process.

Councillor Ward-Booth asked about the underspend caused by vacant roles and whether any recruitment would therefore negatively affect the Council's finances.

The Head of Strategic Finance and Property said that all vacancies were referred to Leadership Team and restructuring considered, ensuring that all recruitment was strictly necessary.

The Chairman asked whether the £54,000 reduction in income from Millstream relating to loan interests due to timing of property purchases could have been foreseen and avoided. He also asked whether Planning and Building Control was an area of concern given the large forecast overspend and the effect of the COVID-19 pandemic.

The Head of Strategic Finance and Property said that estate agents were closed during the initial COVID-19

lockdown, which meant that property purchases were bunched together in the first three months of 2021. Interest payments were therefore bunched rather than evenly spread as would usually be the case. This was unavoidable and could not have been foreseen. Members were advised that there was an impending restructure of Planning and Building control to address existing issues. Around £110,000 of the overspend was made up of legal costs relating to a planning appeal in Little Hadham.

Councillor Fernando asked whether there was any further update on the debt figures.

The Head of Strategic Finance and Property said that they were still the most up to date figures. He also confirmed that the internal audit would examine the write offs after the fact but would not be involved in deciding what would be written off.

The Chairman asked for more detail on the increased contract costs relating to Operations.

The Head of Strategic Finance and Property said that despite many facilities not being used, there were still contractual costs for the Council to meet, such as payments for Civil Enforcement Officers for parking. The increase in residual waste and loss of recycling credits from Herts County Council (HCC) had affected the Council, and it seemed likely HCC would not renew the recycling credits scheme. The Council was considering other 'circular economy' solutions to deal with the build-up of low value recyclable materials. Members were also advised that increased contract costs related in part to costs of refuse staff being

replaced by agency workers when they were required to self-isolate.

The Chairman asked about the smoothing of leisure contract costs.

The Head of Strategic Finance and Property said that the Council were behind schedule in the capital schemes relating to the new leisure centres which the contractor had based their tender upon, but once they were open, the contractor would pay the Council, rather than vice versa. He also advised Members that he was comfortable with the level of the Council's reserves.

**RESOLVED** – that the report be noted.

#### 424 ANNUAL REVIEW OF RISK MANAGEMENT STRATEGY

The Insurance and Risk Business Advisor introduced the report and highlighted the main points to Members.

The Chairman said that the Risk Management Strategy was now much clearer and comprehensible and thanked Officers for their work on it. He asked about the risks posed by COVID-19 and climate change.

The Insurance and Risk Business Advisor said that business continuity and emergency planning had always formed part of the strategy, but the pandemic had sharpened Officers' focus on the importance of this. Staff training on climate change was planned.

The Head of Strategic Finance and Property said that

more information on the risks of climate change was contained in the following report. However, extreme weather was already affecting the Council operationally; refuse crews had been forced to carry out their duties at differing times due to extreme heat in the summer of 2019.

There were no recommendations from Members that could enhance management of risk and the associated monitoring processes.

**RESOLVED** – that the report be received.

425 STRATEGIC RISK REGISTER – MONITORING 2020/21  
QUARTER 3 AND PROPOSED CONTENT FOR 2021/22

The Insurance and Risk Business Advisor introduced the report and highlighted the main points to Members.

Councillor Stowe thanked Officers for their work on the new format which he said was clearer and included more useful information.

The Head of Strategic Finance and Property agreed, at the request of the Chairman, that each vulnerability could be added to the matrix in text, rather than numerically, to make it more immediately comprehensible.

The Chairman asked whether the potential impact of cyber-attacks had been underestimated. He also asked whether the risk of the Council being held to ransom over a cyber-attack had been appropriately



considered.

The Insurance and Risk Business Advisor said that the Deputy Chief Executive had previously answered to the Committee on the scoring relating to cyber-attacks but these concerns could be fed back to Leadership Team. Further work was being done on mitigating the risks of ransomware attacks and the Council was in discussions about ascertaining insurance cover for this scenario.

The Head of Strategic Finance and Property assured Members there were stringent manual controls on payments to prevent scams succeeding by impersonation or otherwise.

The Chairman and Councillor Ward-Booth said that an important mitigation of risk in terms of data protection was the hiring of a Data Protection Manager.

The Head of Legal and Democratic Services and the Scrutiny Officer said that the Data Protection Manager would report regularly to the Committee on these matters, starting at the May meeting of the Committee.

**RESOLVED** – that the report be received.

426 LOCAL GOVERNMENT ASSOCIATION (LGA) MODEL CODE OF CONDUCT

---

The Head of Legal and Democratic Services introduced the report and highlighted the main points to Members.

The Chairman said that the report summarised the

issues well, and whilst it gave a balanced opinion on the adoption of the Code, it seemed to him that the advantages far outweighed the disadvantages.

It was moved by Councillor Fernando and seconded by Councillor Ward-Booth that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) the Committee recommends to Council the replacement of the Members' Code of Conduct as contained at Part 5a of the Council's Constitution with the LGA Model Councillor Code of Conduct (presented at Appendix 1) subject to Appendix C of the Model Code of Conduct being replaced with the text contained in Appendix 2 of the report; and

(B) that the Committee recommends to Council that the replacement Code of Conduct be adopted with immediate effect.

#### 427 WORK PROGRAMME PROPOSALS 2020-21

The Scrutiny Officer introduced the report and highlighted the main points to Members.

The Chairman asked about progress in arranging further scrutiny training for Members.

The Scrutiny Officer said that bespoke quotes for the training had been obtained and had been presented to the Leader. However, it was considered that it would be prudent to wait until after the Annual Council meeting, where the memberships of Committees

would be finalised, before proceeding further.

The Chairman asked about the Committee potentially considering the Council’s capital projects.

The Scrutiny Officer said that scrutiny of performance was a function of Overview and Scrutiny Committee, although this Committee could consider the projects from a regulatory perspective. A proposal form was available to Members (and the public) should they wish to recommend that Overview and Scrutiny Committee consider a particular topic.

**RESOLVED** – that (A) the main agenda items for the next meeting be agreed; and

(B) the proposed consolidated work programme, at Appendix A, in relation to Audit and Governance matters, be agreed.

428 URGENT ITEMS

There were no urgent items.

The meeting closed at 8.38 pm

Chairman .....
Date .....

This page is intentionally left blank



## East Herts Council

### Anti-Fraud Report 2020/21

#### Recommendation

Members are recommended to:

- Review the Councils work to combat fraud in 2020/21
- Review the performance of SAFS in meeting its KPIs in 2020/21

## **Contents**

- 1 Introduction and Background**
- 2 Delivery of the 2019/20 Anti-Fraud Plan**
- 3 SAFS Performance and KPIs**
- 4 Transparency Code- Fraud Data**
- 5 Further Reading- Reports and data**

## **Appendices**

- A. Anti-Fraud Plan 2019/20

## 1 Introduction and Background

### Introduction

This report provides details of the work undertaken to protect the Council against the threat of fraud as laid out in the Council's Anti-Fraud Action plan for 2020/21. The Committee are asked to note this work.

A number of recent reports about fraud in the public sector have been provided to officers and are used by SAFS to ensure that the Council is kept aware of its fraud risks finding ways to mitigate or manage these wherever possible. Details of these reports and other recommended reading for Committee members can be found at **Section 5** of this report.

### Background

According to reports from CIPFA, National Audit Office (NAO), Cabinet Office, and the Private Sector, fraud risk across local government in England exceeds £2.billion each year, with some more recent reports indicating levels considerably above this.

The Cabinet Office, Ministry for Housing Communities and Local Government, National Audit Office, and CIPFA have issued advice, and best practice guidance, to support local councils in the fight to reduce the risk of fraud and prevent loss to the public purse. This advice includes the need for vigilance in recognising fraud risks and the investment of sufficient resources in counter fraud activities.

It is essential that the Council has in place a robust framework to prevent and deter fraud, including effective strategies and policies, as well as plans to deal with the investigation and prosecution of identified fraud.

East Herts Council is a founding partner of the Shared Anti-Fraud Service (SAFS). Members of this committee have received reports about how this service works closely with the Shared Internal Audit Service (SIAS) dealing with all aspects of fraud from prevention and deterrence to investigation and prosecution working with services and staff at all levels.

## 2. SAFS Activity 2019/20 & Delivery of the 2019/20 Anti-Fraud Plan

### The Plan

- 2.1 This committee reviewed and commented on the Council's Anti-Fraud Plan for 2020/21 at its meeting in July 2020. A copy of the Plan can be found at **Appendix A.**
- 2.2 The plan was proposed by SAFS and agreed and approved by senior Council officers. Delivery of the plan is very much a partnership between officers

across the Council with key roles, and SAFS providing expertise and operational support where required. The Plan was developed at the time of the emerging Covid pandemic in March 2020. Although some 'delivery methods' and activity was reviewed a decision was made to keep the plan much as it was, focused on raising awareness and the prevention of fraud.

- 2.3 We are very pleased to report that all actions proposed for the 2019/20 Anti-Fraud Plan commenced in year with the vast majority being completed in-year. Where actions were in-complete they have been carried forward into the current years (2021/22) plan, details of which was shared with this Committee in March 2021.

#### Staffing

- 2.3 In 2020/21 the SAFS Team was composed of 18 accredited and fully trained counter fraud staff based at the county council offices in Stevenage.
- 2.4 Each SAFS partner receives dedicated support by the allocation of officers to work primarily with that Council whilst allowing all officers to work with different partners from time to time. Providing the service in this manner allows SAFS officers to develop good working relationships with council staff whilst providing resilience and flexibility across the partnership as a whole.
- 2.5 In 2019/20 SAFS deployed one member of staff to work for the Council. This officer was supported by SAFS management, SAFS intelligence team, a Data-Analyst and an Accredited Financial Investigator. In all this provided at least 1.5 FTE staff to support the Council with all anti-fraud /bribery/ corruption/ money laundering matters. SAFS officers have access to Council offices, officers and systems to conduct their work

#### Fraud Awareness and Reported Fraud

- 2.6 A key objective for the Council is to develop the existing anti-fraud culture; ensuring senior managers and members consider the risk of fraud when developing policies or processes; helping to prevent fraud occurring; deterring potential fraud through external communication; encouraging all officers to report fraud where it is suspected; and providing public confidence in the Council's stance on fraud and corruption.
- 2.7 The Council's legal team reviewed all anti-fraud and corruption policies in 2020, including those on anti-bribery and anti-money laundering, taking into account the latest best practice and guidance. The final versions of these policies will be published in 2021.
- 2.8 The Council's website includes pages on how fraud affects the Council <https://www.eastherts.gov.uk/about-east-herts-0/fraud-and-whistleblowing-policies>. The website has links for the public to report fraud and to the SAFS



webpage. The SAFS webpage in turn provides further information on fraud, the latest news stories as well as options for the public to report fraud.

2.9 Working with the Councils HR team SAFS have further developed its anti-fraud and corruption e-training package and completion of this training is mandatory requirement for all staff including new starters

2.10 During 2020/21 SAFS received 109 allegations of fraud (referrals) affecting Council services.

**Table 1. Types of fraud being reported (in year):**

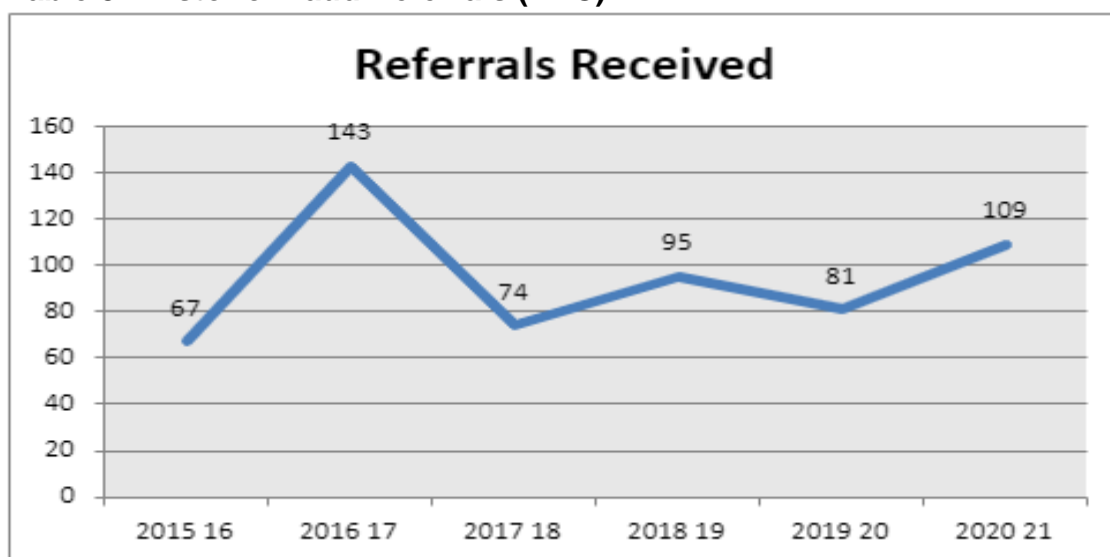
Council Tax Discount/ Housing Benefit	Housing	Blue Badge	NNDR/ Grants	Other	Total
83	10	1	14	1	109

**Table 2. Who is reporting Fraud**

Fraud Reported by Staff	Reports from Public	Data-Matching/ Proactive Investigations	Other 'Agency'	Total
27	74	6	2	109

2.10 The volume of reported fraud in 2020/21 increased on the previous three years with reports received from the public up, and fraud reported by staff increasing in relation to Covid grants schemes (NNDR) but decreasing overall. SAFS regularly review this data to see if there are any trends or concerns for reporting rates, this is shared with officers and used to develop awareness/publicity campaigns locally.

**Table 3. Historic Fraud Referrals (EHC)**



2.11 In the first half of 2020 fraud referrals from members of the public had dropped considerably, almost certainly as a result of the pandemic and national lockdowns. Working with the Councils communication and IT teams, along with other SAFS Partners, two separate fraud awareness/ publicity campaigns were launched in 2020. The first, delivered in August, titled #Fraudsters-are-not-on-

*Furlough* asked for the public's support to report fraud against the Council where they suspected it.

The second, launched as part of the *International Fraud Awareness Week* in November 2020, thanked the public for their support in previous campaigns and provided feedback on successes from these campaigns whilst reminding everyone to be vigilant about their own on-line safety. Both campaigns used social media for delivery.

**Case study 1:**

*Social Media Campaign- August 2020- 'Fraudsters Aren't on Furlough'*



*7 Day campaign*

*Residents reached: 353,411 (Herts wide)*

*Link clicks (to SAFS homepage): 741- normally we have around 100 hits a week,*

*Referrals: 50 in a week - normally we receive between 20 and 25*

*Cost £500 for all costs*

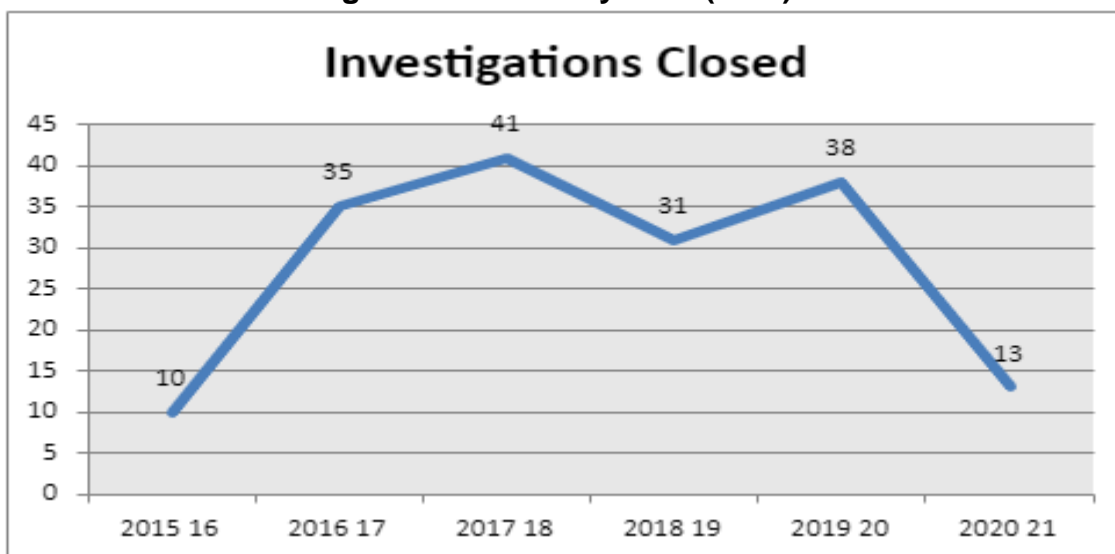
2.12 In 2020/21 SAFS issued fraud alerts on 31 occasions. These alerts covered areas such as the vulnerability to cybercrime for home working staff, new and emerging scams and spams, impersonation or CEO frauds and the increased threat of fraud caused by the Council's own and the Government's response to the Covid pandemic.

SAFS receives daily/weekly updates on new threats from a variety of sources including National Anti-Fraud Network (NAFN), National Cyber Security Centre (NCSC) City of London Police & National Fraud Intelligence Bureau (national lead on fraud and cyber-crime for policing and part of Action Fraud), London Fraud Forum (LFF), Credit Industry Fraud Avoidance Service (CIFAS), CIPFA, Hertfordshire Police (OWL, Neighbourhood Watch, BEACON-Hub) and Hertfordshire Trading Standards.

Investigation and Prevention Activity

2.13 At the time of writing many cases raised for investigation are still subject to investigation. However, of 13 cases investigated and closed in the year 11 identified fraud losses totalling £31,000. In a further 18 cases of alleged low value fraud compliance action, advice or warning letters were issued rather than full investigations. At year end 20 cases remained under investigation with an estimated fraud loss of £230,000.

**Table 4. Fraud Investigations Closed by Year (EHC)**



2.14 SAFS ability to conduct investigations in 2020/21 was severely hampered by the decision to work wholly from home in response to the Government lockdowns from March 2020. Although the service was in an excellent position to work from home, as the IT infrastructure and working practices were already in place, the impact on our work resulted from the restrictions when working with others.

- The DWP Fraud and Error Service, who we work with on many cases, redeployed all counter fraud staff to frontline delivery of Universal Credit.
- We were hampered in accessing the data held by our Partner Councils where we did not have remote access to systems- we have now improved our remote access to many Council systems.
- Council staff were focused on the local responses to the Covid pandemic and we saw 'business as usual' fraud reporting decline.
- We were unable to interview witnesses or the subjects of investigations initially due to the lock-down restrictions.
- In addition to this the courts dealing with civil and criminal matters were closed for all but the most serious matters.

2.15 During the pandemic we also felt that SAFS role around prevention should be stepped up and imposition of sanctions suspended as they could be counterproductive, only one case was prosecuted in 2020. We made a decision

that we would deal with as most low-level fraud by closing cases and sending advisory or compliance letters to customers. Dealing with serious fraud or that needing immediate attention would be prioritised and where cases that met this threshold but could not be dealt with quickly should be 'overloaded' for review post lockdown.

- 2.16 SAFS provided support with all of the Grants schemes administered by Council officers, as well as undertaking data-cleansing exercises proving pre and post payment assurance.

SAFS also provided guidance to the NNDR Team on the services provided by NAFN, CIFAS and the Cabinet Office. SAFS conducted several investigations where fraudulent applications for grants appeared to have been made and worked closely with Council officers to resolve these.

**Case Study 2:**

*Referral received in May 2020 following an application for Government Covid-19 Small Business Grant from a Hertford Company.*

*Initial enquires by officers suggested that the company may have vacated their premises and were therefor not trading at the qualifying date.*

*Evidence obtained from the landlord of the premises confirmed that the company had vacated the premises before the qualifying date*

*The Grant application was refused.*

- 2.17 SAFS provided enhanced and more frequent alerts about mandate / phishing frauds from national bodies including Cabinet Office, CIFAS/CIPFA/ NFIB, Police and NAFN were provided much frequently. We are still providing alerts to all SAFS Partners of new and emerging fraud threats and, where these are being identified or reported by SAFS Partners, sharing this intelligence with Action Fraud, Trading Standards, NCSC and CIFAS.

- 2.18 SAFS worked with NAFN and the Department for Business Energy & Industrial Strategy (BEIS) sharing data and intelligence about national scam emails to local councils attempting to obtain data about local businesses in the hospitality and pharmacy sectors so that fraudulent grant applications can be submitted.

- 2.19 SAFS Partners were contacted by local residents who had received phishing emails/telephone calls/ letters purporting to be from local councils or Government offering grants/refunds - these are aimed at obtaining bank account details many closely mimicking genuine Government/NHS/HMRC correspondence.

- 2.20 A Large part of the normal investigation work for SAFS involves housing benefit or council tax discounts and SAFS usually works very closely with officers from the Council and the Department for Work and Pensions to ensure that all these cases are jointly worked in accordance with a national framework. In 2020/21

as mentioned already we encountered significant delays when working with the DWP as their staff were redeployed as part of the Governments wider response to the pandemic

**Case study 3:**

*An allegation was received that a Hertford resident had failed to declare their full income and that they had another adult living with them who was in full time employment. A joint investigation with the DWP identified that over a four year period the resident had received payments of £3,660 for Housing Benefit and £625 in Council Tax reduction they were not entitled to.*

*On 16 September 2020 the resident appeared in court and pleaded guilty one offence of fraud, receiving a 12 month community order with 80 hours of unpaid work.*

*The overpayments of benefit are being recovered by an attachment of earnings*

- 2.21 The Council made good use of the Council Tax Review Framework in 2020/21 conducting a review of all single person discounts claimed by residents across the District. In all 284 discounts were removed raising more than £130,000 in new council tax revenue.
- 2.22 The Council fully complied with the statutory requirement of the National Fraud Initiative (NFI) 2020, with all data-sets being uploaded by the deadlines in October, and some later ones (relating to the business grants data) in February 2021. SAFS and Council officers are now working through the output from that exercise received in March 2021. **Table 3** breaks down this work, and outcomes reported, so far.

**Table 3. NFI Activity**

Total Matches received 2020/21	High Priority Matches	Matches Reviewed at 30.4.2021	Matches Not Actioned or OS at 30.4.2021	Total loss detected
1,072	394	146	158*	£0

*\*The focus at present is on high priority matches- a further 678 low value/priority cases will be considered later.*

### 3 SAFS KPI Performance 2020/21

3.1 As part of the Councils Anti-Fraud Plan for 2020/21 a number of KPIs were agreed with SAFS to measure its performance and the return on investment from this shared service. The targets and performance against these are shown below.

KPI	Measure	Target 2020/21	Performance in Year
1	Return on investment from SAFS Partnership.	Demonstrate, via SAFS Board, that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.	Reports to SAFS Board in June, September, December 2020 and March 2021. EHC s.151 sits on the SAFS Board. Reports and meetings with s.151 quarterly.
2	Provide an investigation service.	A. 1 FTE on call at the Council. (Supported by SAFS Intel/ AFI/Management). B. 3 Reports to Audit Committee. C. SAFS Attendance at Mgt Meetings/ R&B Liaison Meetings.	A. 1.5 FTE working on EHC cases and projects in 2020/21 B. Reports to A&G Comm in May 2020, September 2020 and March 2021. C. SAFS has close working with relationship with R&B and regular liaison is taking place.
3	Action on reported fraud.	A. All urgent/ high risk cases 2 Days. B. All other cases 5 Days on Average.	A&B. both being met within 2 days at present.
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD B. Membership of CIPFA Counter Fraud Centre C. NAFN Access/Training for relevant Council Staff D. 5 Fraud training events for staff/Members in year.	A. SAFS has access to both and EHC staff can access NAFN B. SAFS Mgt are members of the CF Centre. C. See A above. D. 11 Training sessions were provided to council officers often via virtual or on-line delivery.
5	Allegations of fraud received. & Success rates for cases investigated.	A. All reported fraud (referrals) will be logged and reported to the Council by type & source. B. 60% of cases investigated and closed in year with a positive outcome. C. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each, reported.	A. This is happening daily as referrals received B. 85% of cases closed had a positive outcome - (with the caveat that the out-turn of cases was much less than in previous years). C. This is happening daily as cases are investigated/closed and is used to produce reports to SAFS Board, SAFS Partner Senior Management and Audit Committees.
6	Making better use of data to prevent/identify fraud.	A. Develop the Hertfordshire FraudHub for the Council. B. Support the NFI 2020/21 data upload for the Council. C. Consider other areas where the better use of data will benefit the Council financially.	A. A fraud-hub approach is being taken where data/knowledge/experience/expertise is shared across SAFS Partners. EHC is signed up the FraudHub participation in 2021/22. B. SAFS supported the Councils full compliance with NFI 2020/21 C. This includes the Herts Fraud-Hub as well as specific one-off data-matching/analytics.

#### 4. Transparency Code- Fraud Data

4.1 The Department for Communities and Local Government (DCLG) published a revised Transparency Code in February 2015, which specifies what open data local authorities must publish.

4.2 The Code requires that Local Authorities publish the following data in relation to Fraud. The response for *East Herts Council* for 2019/2020 is in **Bold**:

- 3 Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.

**Nil. (The Council is a Partner to the Hertfordshire Shared Anti-Fraud Service and makes use of the National Anti-Fraud Network (NAFN) to conduct such enquiries on their behalf.**

- 4 Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.

**1.5 FTE**

- 5 Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists.

**1.5 FTE**

- 6 Total amount spent by the authority on the investigation and prosecution of fraud.

**£81,600**

- 7 Total number of fraud cases investigated.

**13 cases investigated and closed in year, a further 18 cases of irregularity investigated, and 20 cases still live at year end.**

4.3 In addition, the Code recommends that local authorities publish the following (*for East Herts Council Fraud/Irregularity are recorded together and not separated*):

- Total number of cases of irregularity investigated-

**See 7 above**

- Total number of occasions on which a) fraud and b) irregularity was identified.

**11 Cases identified fraud.**

- Total monetary value of a) the fraud and b) the irregularity that was detected.  
**£31,000 of fraud loss identified in year (a further £131,000 in new revenue was identified through a review of council tax discounts)**

## 5. Further Reading

- *Councillors Workbook on Bribery & Fraud Prevention (LGA 2017)*
- *Fighting Fraud and Corruption Locally a Strategy for the 2020's. (CIPFA/CIFAS/LGA)*
- *Tackling Fraud in the Public Sector. (CIPFA 2020)*
- *Guide to Understanding the Total Impact of Fraud (International Public Sector Fraud Forum 2020)*
- *Fraud in Emergency Management and Recovery (International Public Sector Fraud Forum 2020)*
- *COVID-19 Counter Fraud Measures Toolkit. (Cabinet Office 2020)*
- *Local Authority Covid-19 Business Support Grants Fact Sheet (Government Counter Fraud Function 2020)*
- *UK Annual Fraud Indicator 2017.*
- *Fraud and Corruption Tracker 2020. (CIPFA)*
- *United Kingdom Anti-Corruption Strategy 2017-2022. (HMG 2017)*
- *Code of Practice – Managing the Risk of Fraud and Corruption. (CIPFA 2014)*



**East Herts Council  
Anti-Fraud Plan 2020/2021**

**in partnership with**

**The Shared Anti-Fraud Service**



## Contents

	Page No.
Introduction	2.
The National Context	3.
SAFS Resources for 2020/2021	4.
SAFS Standards of Service	5.
East Herts Council Anti-Fraud Action Plan 2020/2021	6.
SAFS KPIs for East Herts Council 2020/2021	7.

## Introduction

This plan supports the Councils Anti-Fraud and Corruption Strategy by ensuring that the Council, working in partnership with the Hertfordshire Shared Anti-Fraud Service and others, has in place effective resources and controls to prevent and deter fraud as well as investigate those matters that do arise.

The Councils states that the key elements of the Strategy are;

**Culture- the prevailing set of assumptions and values within the organisation- and the reporting of suspicions of fraud and corruption,**

**Actions to prevent and deter fraud and corruption,**

**Controls to detect and ensure investigation of fraud and corruption,**

**Alertness and vigilance reinforced by training.**

This plan includes objectives and key performance indicators that support the Strategy and meet the best practice guidance/directives from central government department such as Ministry for Housing Communities and Local Government and other bodies such as National Audit Office and the Chartered Institute for Public Finance and Accountancy.

## **National Context.**

In 2013 the National Fraud Authority stated that the scale of fraud against local government “is large, but difficult to quantify with precision”. Since 2013 a number of reports have been published by various organisations including CIPFA, NAO and MHCLG stating that the threat of fraud against local government is both real, causes substantial loss and that fraud should be prevented where possible and pursued where it occurs.

The Annual Fraud Indicator (AFI) 2017 (published in partnership by Crowe Clark Whitehill, Portsmouth University and Experian) attempts to identify the cost of fraud to the UK economy. The AFI estimated fraud losses for local government exceeded £7bn in 2016/2017 excluding housing benefit fraud & council tax fraud.

In 2019 the National Crime Agency’s *Public Private Threat Update- (Economic Crime)* for 2018 identified that reported nationally fraud loss had increased by 38% on the previous year and incidents of fraud crime had increased by 9%. The report highlights insider fraud, cyber enabled fraud and identity fraud as key areas of risk.

In CIPFA’s *Counter Fraud and Corruption Tracker 2019 – Summary Report* reported fraud in local government had a downward trend in 2018/19 compared to previous years, in particular in relation to tenancy and social housing fraud. The report mentions that this trend may be indicative of action taken by local government to prevent this type of fraud. But that report goes on to suggest that the three biggest areas of fraud risk for local government remain procurement, council tax and adult care services.

The Council has always accepted and acknowledged that it is at risk of significant fraud and it is clear that the increasing upward trend of reported fraud nationally requires the Council to ensure that it has in place robust processes and strategies to reduce the opportunity for fraudsters to attack the Councils finances.

The CIPFA ***Local Government Counter Fraud and Corruption Strategy (2016-2019)*** provides a strategic response for local government to deal with the threat of fraud and provides three key principles ‘**Acknowledge/Prevent/Pursue**’. The strategy was supported by Department for Communities and Local Government, the Local Government Association and Fighting Fraud Locally Board. A new strategy will be announced in March 2020 and this expected to follow the same six themes or 6C’s:

- Culture - creating a culture in which beating fraud and corruption is part of daily business,
- Capability - ensuring that the range of counter fraud measures deployed is appropriate to the range of fraud risks,
- Capacity - deploying the right level of resources to deal with the level of fraud risk,
- Competence - having the right skills and standards,
- Communication - raising awareness, deterring fraudsters, sharing information, celebrating successes
- Collaboration - working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information

What is clear is that every pound lost from the public purse, due to fraud, is a pound lost from front line services. The Councils Anti-Fraud Plan 2020/2021 is based on the principles of ‘Acknowledge/ Prevent/ Pursue’ and the 6 C’s to ensure the Council is adequately protected against the risk of fraud and that, where fraud does occur, there are plans to manage, mitigate and recover losses.

## **SAFS Resources 2020/21**

### **Anti-Fraud Arrangements**

East Herts Council is a founding Partner in the Hertfordshire Shared Anti-Fraud Service (SAFS) and this service has provided the majority of the anti-fraud arrangements for the Council since April 2015. In 2019 the SAFS Partnership won awards for '*Significant Contribution*' at the Fighting Fraud and Corruption Locally Awards and the '*Outstanding Partnership*' award at the Tackling Economic Crime Awards.

SAFS is a Partnership with each organisation paying an annual fee for Hertfordshire County Council to provide a contracted service across the whole Partnership. SAFS, as a service, has a number of key objectives developed by its Management Board (the Board) and every Partner has a seat on that Board. For East Herts Council the Interim Head of Strategic Finance and Property is the Board representative.

Although SAFS provides much of the Councils proactive, reactive and operational counter fraud work Council officers are responsible for ensuring the policies, procedures, training and appropriate resources are in place to protect the Council from fraud, corruption and bribery.

### **Budget**

In January 2020 the SAFS Board accepted a report from the Head of SAFS to increase the fees for all Partners in line with a cost of living increase to meet increased staff costs. The Board also received assurance from financial modelling that the service would be sustainable, in its current form, for the next three years.

The Board agreed that the annual fee for all Partners would increase by 2% per annum to 2021 and would be reviewed further at that time.

Fees for East Herts Council in will increase from £81,600+ VAT (2019/20) to £83,232+ VAT (2020/21).

### **Staffing**

The full complement of SAFS in 2020/2021 will be 17.6 FTE's; 1 Manager, 2 Assistant Managers, 10 Investigators, 3 Intelligence Officers. The Team is also supported by 1 FTE Data-Analyst and 0.6 FTE Accredited Financial Investigator, both posts are funded from SAFS Budgets.

East Herts Council will have exclusive access to 1 FTE Investigator, access to intelligence functions of the service, all data-matching services being offered through the SAFS Data-Hub and Herts *FraudHub* hosted by the Cabinet Officer and can call on SAFS management for liaison meetings, management meetings and three Audit Committees reports per annum. The Accredited Financial Investigator is also available to assist in money laundering or proceeds of crime investigations.

SAFS also has access to specialist IT forensics, covert surveillance and national counter fraud intelligence services provided via third parties and criminal litigation services to support the in-house legal team.

## **SAFS - Standards of Service.**

SAFS will provide the Council with the following fraud prevention and investigation services as part of the contracted anti-fraud function.

1. Access to a managed fraud hotline and webpage for public reporting.
2. Process and document for SAFS Partner staff to report suspected fraud to SAFS.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, Identity Fraud and Prevention.
4. Assistance in the design/review of Council policies, processes and documents to deter/prevent fraud.
5. SAFS will design shared/common anti-fraud strategies and policies or templates which can be adopted by the Council.
6. SAFS will provide a proactive data-matching solution (NFI- Herts *FraudHub*) to assist in the early identification of fraud and fraud prevention
  - The FraudHub will be funded by the Council
  - The FraudHub will be secure and accessible only by nominated SAFS and Council Staff.
  - Data will be collected and loaded in a secure manner.
  - SAFS will design and maintain a data-sharing protocol for all SAFS Partners to review and agree annually. The protocol will clearly outline security provisions and include a Privacy Impact Assessment.
  - SAFS will work with nominated officers in the Council to access data-sets to load into the data-warehouse and determine the frequency of these.
  - SAFS will work with Council officers to determine the most appropriate data-matching for each of them and the frequency of such data-matching.
7. All SAFS Staff will be qualified, trained and/or accredited to undertake their duties lawfully.
8. All SAFS investigations will comply with legislation including DPA, GDPR, PACE, CPIA, HRA, RIPA\* and all relevant policies of the Council.
9. Reactive fraud investigations.
  - All reported fraud will be actioned by SAFS within 5 days, on average.
  - Any high profile, high value, high risk cases or matters reported by senior managers will receive a response within 2 working days of receipt
  - All cases reported to SAFS will be reviewed within 5 days of receipt and decision made on immediate action including selection of cases for further review, no action, investigation or referral to 3<sup>rd</sup> parties including police, DWP, Action Fraud.
  - The Council will be informed of all reported fraud affecting its services.
  - SAFS will allocate an officer to each cases selected investigation.
  - SAFS officers will liaise with nominated officers at the Council to access data/systems/office accommodation required to undertake their investigations.
  - SAFS officers will provide updates on cases and a report with summary of facts and supporting evidence on conclusion of the investigation for the Council to review and make any decisions.
  - Where a decision indicates an offence SAFS will draft a report for the nominated officers of the Council to make a decision on any further sanctions/prosecutions.
10. Where sanctions, penalties or prosecutions are sought SAFS will work with the Council to determine the appropriate disposal based on the Code for Crown Prosecutors and the Council's published policies.
11. SAFS will provide Alerts to the Council, of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.
12. SAFS will provide reports to senior management on the progress with delivery of this Plan and any other relevant activity planned or otherwise.
13. SAFS will provide reports through the SAFS Board and to the Council's Audit Committee as agreed in the SAFS Partnership Contract.

*\*Data Protection Act , General Data Protection Regulation, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act, Investigatory Powers Act.*

EHC / SAFS Action Plan 2020/2021

CIPFA Principles	Goals & 6Cs	Activities	Responsible Officer
<b>ACKNOWLEDGE</b>	Fraud is acknowledged as a Risk for the Council <b>CULTURE</b>	The Council has in place Anti-Fraud and Corruption Strategy & Fraud Response Plan	Chief Executive / Monitoring Officer
		Inclusion of Fraud Risks and the Councils actions to manage/mitigate/reduce this in its Annual Governance Statement. Review the Councils Money Laundering/ Bribery/ Whistleblowing/ Cyber-Crime Policies	S. 151 Officer/ Monitoring Officer
		Performance, Audit and Governance Committee and Senior Managers ensure compliance with CIPFA best practice in the Councils counter fraud arrangements	S. 151 Officer
		The Council will make it clear through its policies and codes of conduct for staff and Members that fraud and corruption will not be tolerated.	Head of Legal/ Head of Human Resources
	The Council has a robust communication policy demonstrating its commitment to prevent fraud <b>COMMUNICATION</b>	The Councils Communication Team will publicise prosecutions, anti-fraud campaigns and provide internal communications to staff on fraud awareness	Senior Communications Officer
		Access to SAFS fraud reporting tools (web/phone/email) for staff, public and elected Members.	SAFS Manager / Senior Communications Officer
		The Council and SAFS will provide fraud awareness & specific anti-fraud training across all Council services and review the E-Learning training available for staff	SAFS Manager & Head of Human Resources
		SAFS will provide fraud alerts to appropriate officers/staff/services from Action Fraud/ NAFN/ Police .	SAFS Manager
<b>PREVENT</b>	Co-ordination of effort, sharing of best practice, data, fraud alerts and new threats. <b>COLLABORATION</b>	Develop the Councils use of the Herts <i>FraudHub</i> and report the benefits of this initiative to the Council.	SAFS Manager/ s.151 Officer
		SAFS will work with all Council services to make best use of 3rd party providers such as NAFN, PNLD, CIPFA, CIFAS, SAS and Hoovu	Monitoring Officer / SAFS Manager
		Deliver the NFI 2020/2021 Exercise	SAFS Manager/ s.151 Officer
		Continue to work with DWP to deliver CTRS/HB joint working	SAFS Manager/ Head of Shared R&B Service
		Work with other organisations, including private sector, to improve access to data	SAFS Manager
	Have the highest levels of professional standards <b>COMPETENCE</b>	All SAFS staff will be fully trained and accredited	SAFS Manager
		Review data sharing agreements/protocols to ensure compliance with DEA & GDPR/DEA	Monitoring Officer / SAFS Manager
		All investigations will comply with relevant legislation and Council Policies	SAFS Manager
		SAFS will work with the LGA and Cabinet Office to support the roll out of a Counter-Fraud Profession that all SAFS Staff will join.	s.151 Officer/ SAFS Manager
<b>PURSUE</b>	Ensuring the Counter-Fraud Measures are appropriate to the range of fraud risk. <b>CAPABILITY</b>	SAFS will provide reports to Board and SAFS Champions quarterly on anti-fraud activity at the Council	SAFS Manager/ s.151 Officer
		SAFS will record and report on all fraud referred, investigated and identified	SAFS Manager
		SAFS will review fraud trends and new threats and report on these to Council officers	SAFS Manager
		Legal Service a HR and debt recovery teams will seek to 'prosecute' offenders, apply sanctions and recover financial losses	SAFS Manager /Monitoring Officer/ s.151 Officer/ Head of Shared R&B Service
	Develop the right level of resources to deal with the level of fraud risk <b>CAPACITY</b>	The Council will review its ROI from SAFS Membership	s.151 Officer
		SAFS will assist the Council in providing its Transparency Code (Fraud) Data for 2019/2020	SAFS Manager
	Reports for Audit Committee on all Counter Fraud activity at the Council	SAFS Manager / s.151 Officer	
	SAFS will work with bodies including MHCLG/LGA/CIPFA/FFLB to develop anti-fraud strategies at a national level that support fraud prevention in local government	SAFS Manager	

SAFS

KPIs 2020/21

KPI	Measure	Target 2020/21	Reason for KPI
1	Return on investment from SAFS Partnership.	Demonstrate, via SAFS Board, that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.	Transparent evidence to Senior Management that the Council is receiving a service matching its contribution.
2	Provide an investigation service.	A. 1 FTE on call at the Council. (Supported by SAFS Intel/ AFI/Management). B. 3 Reports to Audit Committee. C. SAFS Attendance at Mgt Meetings/ R&B Liaison Meetings.	Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.
3	Action on reported fraud.	A. All urgent/ high risk cases 2 Days. B. All other cases 5 Days on Average.	Ensure that all cases of reported fraud are triaged within agreed timescales.
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD B. Membership of CIPFA Counter Fraud Centre C. NAFN Access/Training for relevant Council Staff D. 5 Fraud training events for staff/Members in year.	Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.
5	Allegations of fraud received. & Success rates for cases investigated.	A. All reported fraud (referrals) will be logged and reported to the Council by type & source. B. 60% of cases investigated and closed in year with a positive outcome. C. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each, Reported.	This target will measure the effectiveness of the service in promoting the reporting of fraud & measure the effectiveness in identifying cases worthy of investigation.
6	Making better use of data to prevent/identify fraud.	A. Develop the Hertfordshire FraudHub for the Council. B. Support the NFI 2020/21 data upload for the Council. C. Consider other areas where the better use of data will benefit the Council financially.	Build a Hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.

THIS PAGE LEFT BLANK.





**East Herts Council**  
**2020/21 Annual Assurance Statement and**  
**Internal Audit Annual Report**

**27 May 2021**

**Recommendations**

Members are recommended to:

Note the Annual Assurance Statement and Internal Audit Annual Report

Note the results of the self-assessment required by the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP)

Accept the SIAS Audit Charter

Seek management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2020/21

## **Contents**

1. Purpose and Background
  - 1.1 Purpose
  - 1.2 Background
  
2. Annual Assurance Statement for 2020/21
  - 2.1 Context
  - 2.2 Control Environment
  - 2.4 Review of Effectiveness - compliance with the PSIAS and QAIP
  - 2.11 Confirmation of independence of internal audit and assurance on limitations
  - 2.12 Assurance Opinion on Internal Control
  - 2.13 Assurance Opinion on Corporate Governance and Risk Management
  
3. Overview of Internal Audit Activity at the Council in 2020/21
  
4. Performance of the Internal Audit Service in 2020/21
  - 4.1 Performance Indicators
  - 4.2 Service Developments
  
5. Audit Charter 2021/22

## Appendices

- A Final position against the Council's 2020/21 Audit Plan
  
- B Definitions of Assurance Recommendation Priority Levels
  
- C Position against Public Sector Internal Audit Standards as at April 2021
  
- D Internal Audit Charter 2021/22

## 1. Purpose and Background

### Purpose of Report

- 1.1 This report:
- a) Details the Shared Internal Audit Service's (SIAS) overall opinion on the adequacy and effectiveness of East Herts Council's (the Council) control environment. Reference is made to any significant matters and key themes.
  - b) Shows the outcomes of the self-assessment against the Public Sector Internal Audit Standards (PSIAS) incorporating the requirements of the Quality Assurance and Improvement Programme (QAIP).
  - c) Summarises the audit work that informs this opinion.
  - d) Shows SIAS performance in respect of delivering the Council's audit plan.
  - e) Presents the 2021/22 Audit Charter.

### Background

- 1.2 A key duty of the Head of Assurance is to provide an annual opinion on the Council's internal control environment. This opinion informs the conclusions of the Council's Annual Governance Statement.
- 1.3 The assurance opinion in this report is based on internal audit work undertaken during 2020/21. The original Internal Audit Plan was revised in response to the COVID-19 pandemic, reflecting both a reduction in the number of available audit days and to incorporate associated coverage where agreed with audit sponsors. The revised Audit Plan therefore continued to give sufficient assurance on the Council's management of its key risks. Also considered is any relevant work undertaken in 2021/22 before the Audit Committee report deadline.
- 1.4 SIAS is grateful for the co-operation and support it has received from client officers during 2020/21.

## 2. Annual Assurance Statement 2020/21

### Context

#### *Scope of responsibility*

- 2.1 Council managers are responsible for ensuring Council business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. They are also responsible for ensuring internal controls are robust and risk management arrangements are appropriate.

*Control environment*

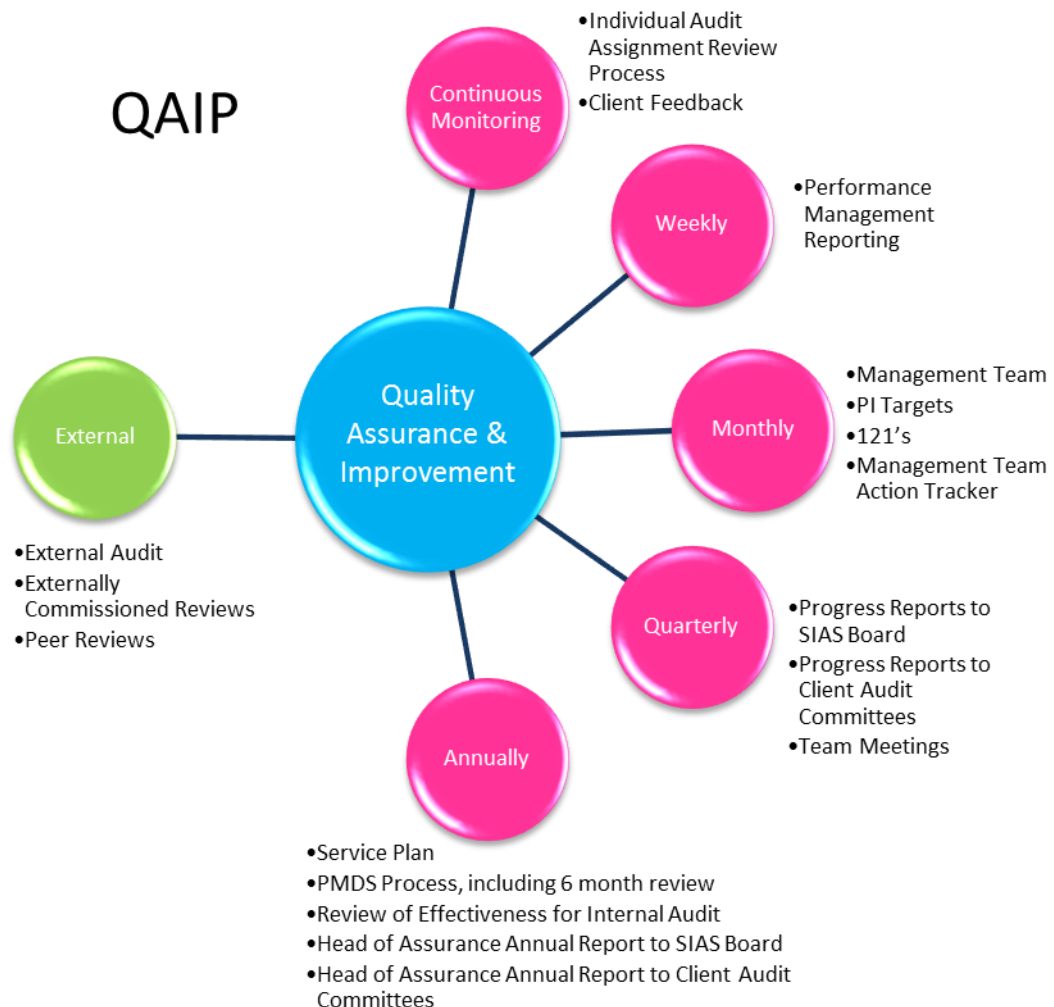
- 2.2 The control environment comprises three key areas: governance, risk management, and internal control. Together these aim to manage risk to an acceptable level, but it is accepted that it is not possible to completely eliminate it.
- 2.3 A robust control environment helps ensure that the Council's policies, priorities and objectives are achieved.

*Review of effectiveness*

- 2.4 The Head of Assurance must confirm annually that the internal audit function is suitably qualified to carry out the work that informs the assurance opinion.
- 2.5 As part of a QAIP, a self-assessment was conducted against the Public Sector Internal Audit Standards (PSIAS). The PSIAS encompass the mandatory elements of the Chartered Institute of Internal Auditors (CIIA) International Professional Practices Framework (IPPF). They promote professionalism, quality, consistency and effectiveness of internal audit across the public sector. They highlight the importance of robust, independent and objective internal audit arrangements to provide senior management with the key assurances needed to support them in both managing the organisation and producing the Annual Governance Statement.
- 2.6 The 2020/21 self-assessment identified 2 areas of agreed non-conformance. These are detailed in Appendix C. There are no significant deviations from Standards which warrant inclusion in the Council's Annual Governance Statement.
- 2.7 The PSIAS also requires that the SIAS be subject to an external quality assessment at least once every five years. This should be conducted by a qualified, independent assessor or assessment team from outside the organisation. The next external assessment is scheduled for June 2021.
- 2.8 The Head of Assurance has concluded, therefore, that SIAS 'generally conforms' to the PSIAS, including the Definitions of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. 'Generally conforms' is the highest rating and means that SIAS has a charter, policies and processes assessed as conformant to the Standards and is consequently effective.
- 2.9 The SIAS QAIP includes both internal and external monitoring and reporting to assess the efficiency and effectiveness of internal audit activity and identify opportunities for improvement. The diagram below details the methods used to monitor and report on these. Detailed information outlining activity in each area is contained in the SIAS Audit Manual.

## Annual Assurance Statement and Internal Audit Annual Report - East Herts Council

2.10 The Head of Assurance confirms that during 2020/21 SIAS operated according to its QAIP with evidence available within the service to support the achievement of each QAIP element.



### *Confirmation of independence of internal audit and assurance on limitations*

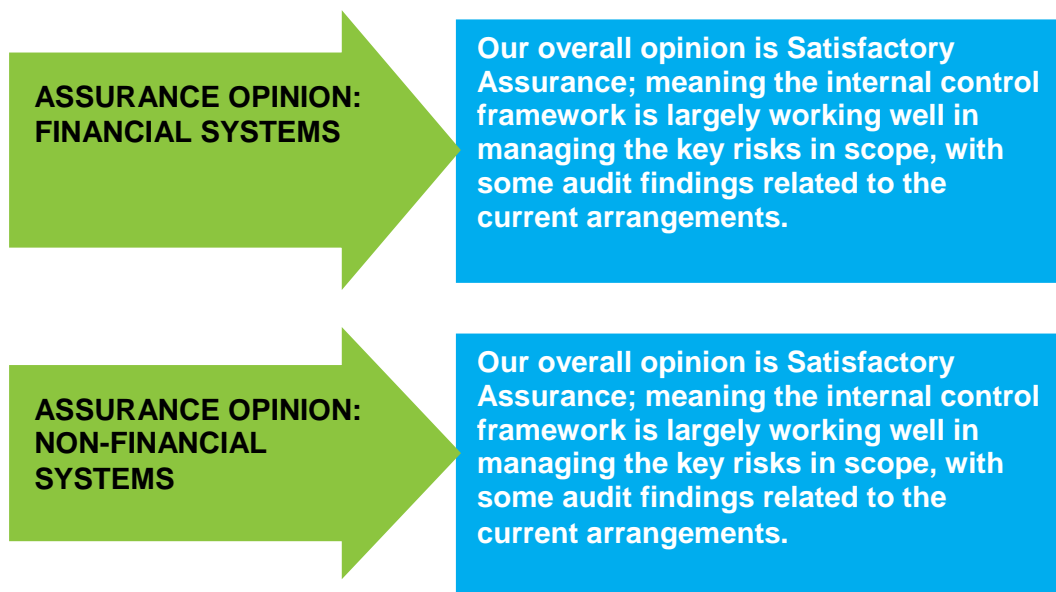
2.11 The Head of Assurance confirms that during the year:

- No matters threatened SIAS's independence; and
- SIAS was not subject to any inappropriate scope or resource limitations.

Annual Assurance Statement for 2020/21

*Assurance opinion on internal control*

- 2.12 Based on the internal audit work undertaken at the Council in 2020/21, SIAS can provide the following opinion on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems.



*Assurance opinion on Corporate Governance and Risk Management*

- 2.13 SIAS has concluded that the corporate governance and risk management frameworks substantially comply with the CIPFA/SOLACE best practice guidance on corporate governance. This conclusion is based on the work undertaken by the Council and reported in its Annual Governance Statement for 2020/21 and the specific reviews of Risk Management and Corporate Governance carried out by SIAS during the year.

**Head of Assurance for the Shared Internal Audit Service  
May 2021**

### 3. Overview of Internal Audit Activity at the Council in 2020/21

- 3.1 This section summarises work undertaken at the Council by SIAS in 2020/21. It highlights any significant internal control matters and opportunities for improvement.
- 3.2 Appendix A shows the final position against the agreed revised audit plan, assurance levels and the number of recommendations made. A summary of assurance levels and recommendation priorities is shown in the tables below (2019/20 data in brackets).

Assurance Level	Number of reports 2020/21 (2019/20 data in brackets)	Percentage of reports 2020/21 (2019/20 data in brackets)
Good	9 (7)	44% (25%)
Satisfactory	9 (16)	44% (55%)
Limited	0 (1)	0% (3%)
No	1 (0)	4% (0%)
Not Assessed	1 (4)	4% (14%)
Not Complete	1 (1)	4% (3%)
Total	21 (29)	100% (100%)

Recommendation Priority Level	Number of recommendations 2020/21 (2019/20 data in brackets)	Percentage of recommendations made 2020/21 (2019/20 data in brackets)
Critical	0 (0)	0% (0%)
High	2 (1)	6 % (1%)
Medium	19 (48)	53 % (58%)
Low	15 (34)	41 % (41%)
Total	36 (83)	100% (100%)

- 3.3 **The Satisfactory assurance opinion overall on financial systems**  
(Satisfactory in 2019/20) has been concluded from nine financial systems audits. Seven received Good assurance and two received Satisfactory assurance. No Critical or High priority recommendations were made across these audits. However, three Medium priority recommendations were made (seven in 2019/20), illustrating an overall positive direction of travel.
- 3.4 **The Satisfactory assurance opinion overall on non-financial systems**  
(Satisfactory in 2019/20) has been concluded from eleven audits. Two audits received Good assurance, seven received Satisfactory assurance and one received No assurance. Two High priority recommendations were

## **Annual Assurance Statement and Internal Audit Annual Report - East Herts Council**

---

made across these audits. In addition, one audit was classified as “Not Assessed” i.e. no audit assurance opinion was given. This was a follow up audit of Waste Management which highlighted that prior recommendations had been implemented or were in the process of being implemented.

- 3.5 In arriving at our Satisfactory assurance opinion for non-financial systems, we highlight that 90% of opinions issued for individual audits during the year were assessed as Good or Satisfactory assurance. This generally indicates the Council has satisfactory or good systems of internal control for a wide range of areas. However, it should be noted that there were some risks and impacts associated with control weaknesses in the Payment Card Industry Data Security Standards audit, which received a No assurance opinion and contained two High priority recommendations.
- 3.6 One audit was at draft report stage at the time of writing this Annual Report, with a management response awaited. This audit (Asset Management) has contributed to the assurance opinion on financial systems for 2020/21.
- 3.7 As highlighted at paragraph 1.3 above, internal audit activity at the Council was reduced and revised in response to the COVID-19 pandemic. This meant three assignments were initially deleted from the originally approved programme of audits and further audits were cancelled or added as the year progressed (these changes were agreed by the Council’s Audit and Governance Committee). In addition, the pandemic provided a backdrop that was considered during some audit assignments e.g. Car Parking. It should be noted that no specific internal audit work relating to the pandemic was commissioned during 2020/21. However, management assurance was provided in relation to associated risks, governance arrangements and internal control.

### Critical and High Priority Recommendations

- 3.8 Members will be aware that a final audit report is issued when it has been agreed by management; this includes an agreement to implement the recommendations made. It is Internal Audit’s responsibility to advise Members of progress on the implementation of critical and high priority recommendations; it is the responsibility of Officers to implement the recommendations by the agreed date. Two High priority recommendations were made within audits carried out during 2020/21. Members will continue to receive updates on the implementation progress of critical and high priority recommendations through the SIAS quarterly progress reports to the Audit Committee.



## 4. Performance of the Internal Audit Service in 2020/21

### Performance indicators

4.1 The table below compares SIAS's performance at the Council against the 2020/21 targets set by the SIAS Board.

Indicator	Target 2020/21	Actual to 31 March 2021
<b>1 SIAS Planned Days</b> – percentage of actual billable days delivered against planned billable days	<b>95%</b>	<b>95%</b>
<b>2 SIAS Planned Projects</b> – actual completed projects to draft report stage against planned completed projects	<b>95%</b>	<b>95%</b>
<b>3 SIAS Annual Plan</b> – presented to the March Audit Committee or the first meeting of the financial year should a March committee not meet.	<b>Deadline met</b>	<b>Yes</b>
<b>4 Client Satisfaction</b> - client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	<b>100%</b>	<b>100%</b> (8 received).
<b>5 Head of Assurance's Annual Report</b> – presented at the first Audit Committee meeting of the financial year	<b>Deadline met</b>	<b>Yes</b>
<b>6 Number of High Priority Audit Recommendations agreed</b>	<b>95%</b>	<b>100%</b> (2 agreed)

Service Developments

4.2 During 2020/21 the development activities for SIAS included:

- a) Staffing – refresher training on risk and control techniques was provided for all SIAS staff during the third quarter of 2020/21. A replacement Senior Auditor was recruited in September 2020 following the retirement of an existing Senior Auditor. All Senior Auditors carried out some supervisory duties during 2020/21, such as reviewing the work of Auditors and Trainees. This provided development opportunities and helped compensate for a vacant Client Audit Manager post. The move to remote working under Government pandemic restrictions resulted in changes to some of the SIAS audit methodology e.g. the electronic capture of audit evidence and the suspension of site visits.
- b) External Quality Assessment (EQA) – preparations for the SAIS EQA, scheduled for June 2021, began during the last quarter of the year. This external assessment will involve a review of the service's position against the Public Sector Internal Audit Standards (PSIAS). In advance of the external assessment an internal self-review of procedures and working practices was carried out. Folders of supporting material have also been prepared to address formal PSIAS lines of enquiry within the EQA.
- c) Data Analytics – organisations are seeing increasing digitisation of their operations. Data analytics is a powerful tool which can be incorporated into the audit process and enhances the ability to carry out whole population testing and continuous auditing. This in turn can enhance the assurance provided on the management of risk and controls. Work began in late 2020/21 to evaluate the value of data analytics to SIAS partners, and on producing a potential strategy for acquiring the required skillsets, thinking and methodologies.

## 5. Audit Charter 2021/22

- 5.1 The PSIAS require a local authority to formally adopt an Audit Charter which covers the authority and responsibility for an internal audit function.
- 5.2 The SIAS Audit Charter sets out the framework within which it discharges its internal audit responsibilities to those charged with governance in the partner councils. It details the permanent arrangements for internal audit and key governance roles and responsibilities to ensure the effectiveness of internal audit provision.
- 5.3 The Audit Charter is reviewed annually. The review in April 2021 did not result in any fundamental changes and the 2021/22 Charter is attached at Appendix D.

**APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2020/21 AUDIT PLAN**

**East Herts Council Audit Plan – 2020/21**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
<b>Key Financial Systems</b>							
Creditors	Good	0	0	0	1	8	Final Report Issued
Treasury Management	Good	0	0	0	2	10	Final Report Issued
Payroll	Good	0	0	0	2	8	Final Report Issued
Council Tax	Good	0	0	0	0	6	Final Report Issued
Business Rates	Good	0	0	0	0	5.5	Final Report Issued *
Housing Benefits	Good	0	0	0	1	6	Final Report Issued
Asset Management	Satisfactory	0	0	1	1	7.5	Draft Report Issued
Main Accounting System	Good	0	0	0	1	8	Final Report Issued
Debtors	Satisfactory	0	0	2	2	7.5	Final Report Issued *
<b>Operational Audits</b>							
Business Improvement District	N/A	-	-	-	-	0	Cancelled
Car Parking	Good	0	0	0	0	10	Final Report Issued

**APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2020/21 AUDIT PLAN**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Climate Change & Sustainability	Good	0	0	0	1	6.5	Final Report Issued *
Customer Services	N/A	-	-	-	-	0	Cancelled
Development Control	Satisfactory	0	0	1	0	9.5	Final Report Issued *
Emergency Planning	N/A	-	-	-	-	0	Cancelled
Facilities Management	Satisfactory	0	0	3	1	10	Final Report Issued
Fly Tipping	N/A	-	-	-	-	7.5	Deferred
Food Safety	N/A	-	-	-	-	0	Cancelled
Grounds Maintenance	Satisfactory	0	0	2	2	9.5	Final Report Issued *
Millstream Property Investment	N/A	-	-	-	-	0	Cancelled
My View (payroll self-service)	N/A	-	-	-	-	0	Cancelled
Performance Management	Satisfactory	0	0	2	1	12	Final Report Issued
Tree Management	Satisfactory	0	0	1	0	10	Final Report Issued
Waste Management Follow Up	Not Assessed	-	-	-	-	2	Final Report Issued

**APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2020/21 AUDIT PLAN**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Commercial Rents	-	-	-	-	-	0.5	In Planning
Grange Paddocks & Hartham Leisure Centres	-	-	-	-	-	0	Cancelled
Old River Lane	-	-	-	-	-	0	Cancelled
Risk Management	Satisfactory	0	0	1	0	10	Final Report Issued
<b>IT Audits</b>							
Hardware Acquisitions, Movement & Disposal	Satisfactory	0	0	1	0	6	Final Report Issued
Payment Card Industry Data Security Standard	No	0	2	5	0	5.5	Final Report Issued *
<b>Other Chargeable</b>							
2021/22 Audit Planning	-	-	-	-	-	6	Complete
Plan Delivery Monitoring	-	-	-	-	-	12	Complete
Head of Internal Audit Opinion 2019/20	-	-	-	-	-	3	Complete
Client Liaison	-	-	-	-	-	6	Complete
External Audit Liaison	-	-	-	-	-	1	Complete

## APPENDIX A – FINAL POSITION AGAINST THE COUNCIL'S 2020/21 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Adhoc Advice	-	-	-	-	-	25	Complete
Audit Committee	-	-	-	-	-	8	Complete
Follow Up of High Priority Recommendations	-	-	-	-	-	4	Complete
Shared Learning and Joint Reviews	-	-	-	-	-	0	Cancelled
SIAS Development	-	-	-	-	-	5	Complete
19/20 Projects Requiring Completion	-	-	-	-	-	5	Complete
Contingency	-	-	-	-	-	34	N/A
<b>Total</b>		<b>0</b>	<b>2</b>	<b>19</b>	<b>15</b>	<b>274.5</b>	

\* At Draft Report stage at 31 March 2021, Final Report issued after year end.

Key to Recommendation Priority Levels: C = Critical priority recommendations; H = High priority recommendations; M = Medium priority recommendations; LA = Low/Advisory priority recommendations.

## APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

### 2020/21 Definitions of Assurance and Recommendation Priority Levels

Assurance Level		Definition
<b>Good</b>		The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
<b>Satisfactory</b>		The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
<b>Limited</b>		The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
<b>No</b>		The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.
Priority Level		Definition
<b>Corporate</b>	<b>Critical</b>	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
<b>Service</b>	<b>High</b>	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	<b>Medium</b>	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	<b>Low / Advisory</b>	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

## APPENDIX C – POSITION AGAINST PUBLIC SECTOR INTERNAL AUDIT STANDARDS AT APRIL 2021 – ACTION PLAN

**Section A: Conformance** - During 2020/21 all areas apart from those identified in Section B below were conforming.

### Section B: Intentional Non-Conformance

Ref	Area of Non-Conformance with the Standard	Commentary	
3.1a	<p><b>Purpose, Authority and Responsibility</b></p> <p>Does the board (defined as the Audit Committee) approve decisions relating to the appointment and removal of the Chief Audit Executive (CAE) (Head of Assurance)?</p>	<p>The Director of Resources, Hertfordshire County Council (HCC), in consultation with the Board of the Shared Internal Audit Services approves decisions relating to the appointment and removal of the CAE.</p> <p>This is as provided for in the governance of the Shared Internal Audit Service.</p>	<p><b>Non-conformance</b></p> <p>No further action proposed. The current arrangements are considered effective given the shared nature of SIAS.</p>
3.1c	<p><b>Purpose, Authority and Responsibility</b></p> <p>Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?</p>	<p>The performance appraisal is carried out by the Director of Resources (HCC).</p>	<p><b>Non-conformance</b></p> <p>No further action proposed. The appraisal process was carried out by the Director of Resources (HCC) with input from all partner chief finance officers. The current arrangements are considered effective given the shared nature of SIAS.</p>





## **Audit Charter 2021/2022**

### **1. Introduction and Purpose**

- 1.1. Internal auditing is an independent and objective assurance and consulting activity. It is guided by a philosophy of adding value to the operations of an organisation. It assists a council in achieving its objectives and ultimately provides assurance to the public by systematically evaluating and improving the effectiveness and efficiency of risk management, control and governance processes.
- 1.2. The purpose of the Shared Internal Audit Service (SIAS) is to provide independent, objective assurance and consulting services designed to add value and improve client operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. SIAS helps clients accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

### **2. Scope**

- 2.1. This Charter applies to all clients of the Shared Internal Audit Service (SIAS).

### **3. Statutory Basis of Internal Audit**

- 3.1. Local government is statutorily required to have an internal audit function. The Accounts and Audit Regulations 2015 require that 'a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 3.2. In addition, a council's Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To fulfil this requirement, the S151 Officer relies, amongst other sources, upon the work of internal audit.

### **4. Role**

- 4.1. SIAS internal audit activity is overseen by each client council's committee charged with fulfilling audit committee responsibilities herewith referred to as the Audit Committee. As part of its oversight role, the Audit Committee is responsible for defining the responsibilities of SIAS via this Charter.
- 4.2. SIAS may undertake additional consultancy activity requested by management. The Head of Assurance will determine such activity on a case by case basis assessing the skills and resources available. Significant additional consultancy activity not already included in the Internal Audit Plan will only be accepted and carried out following consultation with the Audit Committee.

### 5. Professionalism

- 5.1. SIAS governs itself by adherence to the Public Sector Internal Audit Standards (PSIAS). These standards include the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (IPPF). They set out the fundamental requirements for the professional practice of internal auditing and the evaluation of the effectiveness of an internal audit function.
- 5.2. SIAS also recognises the Mission of Internal Audit as identified within the IPPF, 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight' and the Core Principles for the Professional Practice of Internal Auditing, which demonstrate an effective internal audit function, achieving internal audit's mission.
- 5.3. SIAS operations are guided by its operating procedures manual as well as applicable, Chartered Institute of Internal Auditors (CIIA) and Chartered Institute of Public Finance and Accountancy (CIPFA) Position Papers, Practice Advisories and Guides, and relevant council policies and procedures, including compliance with the Bribery Act 2010.
- 5.4. Should non-conformance with the PSIAS be identified, the Head of Assurance will investigate and disclose, in advance if possible, the exact nature of the non-conformance, the reasons for it and, if applicable, its impact on a specific engagement or engagement outcome.

### 6. Authority and Confidentiality

- 6.1. Internal auditors are authorised full, free, and unrestricted access to any and all of a client's records, physical property, and personnel as required to carry out an engagement. All client employees are requested to assist SIAS in fulfilling its roles and responsibilities. Information obtained during the course of an engagement is safeguarded and confidentiality respected.
- 6.2. Internal auditors will only use information obtained to complete an engagement. It will not be used in a manner that would be contrary to the law, for personal gain, or detrimental to the legitimate and ethical objectives of the client

organisation(s). Internal auditors will disclose all material facts known which if not disclosed could distort a report or conceal unlawful practice.

## 7. Organisation

- 7.1. The Head of Assurance and their representatives have free and unrestricted direct access to Senior Management, the Audit Committee, the Chief Executive / Managing Director, the Chair of the Audit Committee and the External Auditor. The Head of Assurance will communicate with any and all of the above parties at both committee meetings and between meetings as appropriate.
- 7.2. The Chairman of the Audit Committee has free and unrestricted direct access to both the Head of SIAS, and the Council's External Auditor.
- 7.3. The Head of Assurance is line managed by the host authorities Director of Resources who approves all decisions regarding the performance evaluation, appointment, or removal of the Head of Assurance, in consultation with the SIAS Board. Each client's Section 151 Officer is asked to contribute to the annual appraisal of the Head of Assurance.

## 8. Stakeholders

The following groups are defined as stakeholders of SIAS:

- 8.1. The Head of Assurance and the Head of The Shared Internal Audit Service, both suitably experienced and qualified (CCAB and / or CMIIA), are responsible for:
  - hiring, appraising and developing SIAS staff in accordance with the host authority's HR guidance
  - maintaining up-to-date job descriptions which reflect the roles, responsibilities, skills, qualifications, and attributes required of SIAS staff
  - ensuring that SIAS staff possess or obtain the skills, knowledge and competencies (including ethical practice) needed to effectively perform SIAS engagements
- 8.2. The Audit Committee is responsible for overseeing the effectiveness of SIAS and holding the Head of Assurance to account for delivery. This is achieved through the approval of the annual audit plan, approval of performance targets set by the SIAS Board and receipt of regular reports.
- 8.3. The Audit Committee is also responsible for the effectiveness of the governance, risk and control environment within the Council, holding operational managers to account for its delivery.
- 8.4. Where stated in its Terms of Reference, the Audit Committee provides an annual report to the Executive detailing the Committee's activities through the year. In addition, and as required, the Committee ensures that there is appropriate communication of, and involvement in, internal audit matters from the wider publicly elected Member body.

- 8.5. The Head of the Shared Internal Audit Service is responsible for ensuring that the final outcome of all Internal Audit reports is reported to all members of the Audit Committee and that where applicable Executive Members receive copies of all reports that pertain to their portfolio.
- 8.6. Senior Management, defined as the Head of Paid Service, Chief Officers and their direct reports, are responsible for helping shape the programme of assurance work. This is achieved through analysis and review of key risks to achieving the Council's objectives and priorities.
- 8.7. The SIAS Board is the governance group charged with monitoring and reviewing the overall operation of SIAS and reporting to the Audit Committee its findings, including:
- resourcing and financial performance
  - operational effectiveness through the monitoring performance indicators
  - the overall strategic direction of the shared service.

## 9. Independence and Objectivity

- 9.1. No element in the organisation should interfere with audit selection, scope, procedures, frequency, timing, or report content. This is necessary to ensure that internal audit maintains the necessary level of independence and objectivity.
- 9.2. As well as being impartial and unbiased, internal auditors will have no direct operational responsibility or authority over any activity audited. They will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that might impair their judgment.
- 9.3. When asked to undertake any additional roles/responsibilities outside internal auditing, the Head of Assurance will highlight to the Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the PSIAS Code of Ethics as well as any relevant requirements set out in other professional bodies to which the CAE may belong. The Audit Committee will approve and periodically review any safeguards put in place to limit any impairments to independence and objectivity.
- 9.4. The Head of Assurance will confirm to the Audit Committee, at least annually, the organisational independence of SIAS.

## 10. Conflicts of Interest

- 10.1. Internal auditors will exhibit clear professional objectivity when gathering, evaluating, and communicating engagement information. When forming judgments, they will make a balanced assessment of all relevant circumstances and not be influenced by their own interests or the views and interests of others.

- 10.2. Each auditor will comply with the ethical requirements of his/her professional body and proactively declare any potential conflict of interest, whether actual or apparent, prior to the start of an engagement.
- 10.3. All auditors sign an annual declaration of interest to ensure that the allocation of work avoids conflict of interest. Auditors who undertake consultancy work or are new to the team will be prohibited from auditing in those areas where they have worked in the past year. Audits are rotated within the team to avoid over-familiarity and complacency.
- 10.4. SIAS procures an arrangement with an external partner to provide additional internal audit days on request. The external partner will be used to deliver engagements as directed by the Head of Assurance in particular providing advice and assistance where SIAS staff lack the required skills or knowledge.
- 10.5. In the event of a real or apparent impairment of independence or objectivity, (acceptance of gifts, hospitality, inducements or other benefits) the Head of Assurance will investigate and report on the matter to appropriate parties.

### 11. Responsibility and Scope

- 11.1. The scope of SIAS encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes (as they relate to the organisation's priorities and objectives) and the promotion of appropriate ethics and values.
- 11.2. Internal control and risk management objectives considered by internal audit extend to the organisation's entire control and risk management environment and include:
  - consistency of operations or programs with established objectives and goals, and effective performance
  - effectiveness and efficiency of governance, operations and employment of resources
  - compliance with significant policies, plans, procedures, laws, and regulations
  - design, reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information
  - safeguarding of assets
- 11.3. SIAS is well placed to provide advice and support on emerging risks and controls and will, if requested, deliver consulting and advisory services or evaluate specific operations.
- 11.4. SIAS is responsible for reporting to the Audit Committee and senior management, significant risk exposures (including those to fraud addressed in conjunction with the Shared Anti-Fraud Service), control and governance issues and other matters that emerge from an engagement.

11.5. Engagements are allocated to (an) internal auditor(s) with the appropriate skills, experience and competence. The auditor is then responsible for carrying out the work in accordance with the SIAS Operating Procedures Manual, and must consider the relevant elements of internal control, the needs and expectations of clients, the extent of work required to meet the engagement's objectives, its cost effectiveness, and the probability of significant error or non-compliance.

## **12. Role in Anti-Fraud**

12.1. The SIAS work programme, designed in consultation with Senior Management, the Audit Committee and, where applicable, the Shared Anti-Fraud Service, seeks to help deter fraud and corruption.

12.2. In conjunction with the Shared Anti-Fraud Service, SIAS shares information with relevant partners to increase the likelihood of detecting fraudulent activity and reducing the risk of fraud to all.

12.3. The Head of Assurance should be notified of all suspected or detected fraud, corruption or impropriety so that the impact upon control arrangements can be evaluated.

## **13. Internal Audit Plan**

13.1. Following discussion with appropriate senior management, the Head of Assurance will submit a risk-based plan to the Audit Committee for review and approval. This will occur at least annually. The plan sets out the engagements agreed by Operational Directorate Boards and subsequently the Section 151 Officer and Senior Management Board and demonstrates the priorities of both SIAS (the need to produce an annual internal audit opinion) and those of the organisation. Also included will be any relevant declarations of interest.

13.2. The plan will be accompanied by details of the risk assessment approach used and will take into account the organisation's assurance framework. Also shown will be the timing of an engagement, its budget in days, details of any contingency for new or changed risks, time for planning and reporting and a contribution to the development of SIAS.

13.3. The plan will be subject to regular review in year and may be modified in response to changes in the organisation's business, risks, operations, programmes, systems and controls. All significant changes to the approved internal audit plan will be communicated in the quarterly update reports.

## **14. Reporting and Monitoring**

14.1. A draft written Terms of Reference will be prepared and issued to appropriate personnel at the start of an engagement. It will cover the intended objectives, scope and reporting mechanism and will be agreed with the client. Changes to the terms of reference during the course of the engagement may occur and will be agreed following consultation with the client.

- 14.2. A report will be issued to management on completion of an engagement. It will include a reasoned opinion, details of the time period and scope within which it was prepared, management's responses to specific risk prioritised findings and recommendations made and a timescale within which corrective action will be / has been taken. If recommended action is not to be taken, an explanation for this will also be included.
- 14.3. SIAS will follow-up the implementation of agreed recommendations in line with the protocol at each client. As appropriate, the outcomes of this work will be reported to the audit committee and may be used to inform the risk-based planning of future audit work. Should follow-up activity identify any significant error or omission, this will be communicated by the Head of Assurance to all relevant parties. A revised internal audit opinion may be issued on the basis of follow-up activity.
- 14.4. In consultation with senior management, the Head of Assurance will consider, on a risk-basis, any request made by external stakeholders for sight of an internal audit report.
- 14.5. Quarterly update reports to the Audit Committee will detail the results of each engagement, including significant risk exposures and control issues. In addition, an annual report will be produced giving an opinion on the overall control, governance, and risk management environment (and any other issues judged relevant to the preparation of the Annual Governance Statement) with a summary of the work that supports the opinion. The Head of Assurance will also make a statement of conformance with PSIAS, and detail the nature and reasons for any impairments, qualifications or restrictions in scope for which the Committee should seek reassurances from management.

### 15. Periodic Assessment

- 15.1. PSIAS require the Head of Assurance and the SIAS Board to make arrangements for an independent review of the effectiveness of internal audit undertaken by a suitably knowledgeable, qualified and competent individual or organisation. This should occur at least every five years.
- 15.2. The Head of Assurance will ensure that continuous efforts are made to improve the efficiency, effectiveness, and quality of SIAS. These will include the Quality Assurance and Improvement Programme, client feedback, appraisals and shared learning with the external audit partner as well as coaching, supervision, and documented review.
- 15.3. A single review will be carried out to provide assurance to all SIAS partners with the outcomes included in the partner's Annual Report.

### 16. Review of the Audit Charter

## **APPENDIX D – AUDIT CHARTER 2021/2022**

---

- 16.1. The Head of Assurance will review this charter annually and will present, to the first audit committee meeting of each financial year, any changes for approval.
- 16.2. The Head of Assurance reviewed this Audit Charter in April 2021. It will next be reviewed in April 2022.



**Glossary of Terms**

Audit Committee	The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.
Management	Operational officers of the Council responsible for creating corporate policy and organising, planning, controlling, and directing resources in order to achieve the objectives of that policy. Senior management is defined as the Head of Paid Service, Chief Officers and their direct reports.
The SIAS Board	The Board that comprises officer representatives from the client authorities and that is responsible for the governance of the SIAS partnership
The Audit Plan	The programme of risk-based work carried out by the Shared Internal Audit Service (SIAS) on behalf of its clients
The Public Sector Internal Audit Standards	These standards, which are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. They reaffirm the importance of robust, independent and objective internal audit arrangements to provide stakeholders with the key assurances they need to support them both in managing and overseeing the organisation and in producing the annual governance statement.

Note:

For readability, the term 'internal audit activity' as used in the PSIAS guidance has been replaced with 'SIAS' in this Charter.

This page is intentionally left blank

## **East Herts Council Report**

### **Audit and Governance Committee**

**Date of meeting:** 27 May 2021

**Report by:** Executive Member for Corporate Services

**Report title:** Strategic Risk Register – Monitoring 2020/21 - Quarter Four

**Ward(s) affected:** All

---

### **Summary**

The report provides details the changes to the Strategic Risk Register for quarter four.

### **RECOMMENDATION FOR AUDIT AND GOVERNANCE COMMITTEE:**

- a) The 2020/21 quarter four Strategic Risk Register be reviewed and officers advised of any further action that could be taken to manage risk.**

### **1.0 Proposal(s)**

- 1.1 Quarterly monitoring of the Strategic Risk Register resumed in 2020/21 and this report details the controls introduced during quarter four, in the new format agreed at March's Audit and Governance Committee.

## **2.0 Background**

2.1 Leadership Team reviews the content of the Strategic Risk Register quarterly and provides updates that are relayed within this monitoring report to Audit and Governance Committee.

## **3.0 Reason(s)**

3.1 The Strategic Risk Register details significant business risks; essentially those that could prevent the council meeting its objectives.

3.2 The register has been submitted in the new format agreed at Audit and Governance Committee in March. Due to time constraints and the significant changes made to the register, the version submitted to the last meeting was incomplete as was advised at the time. However the content has now been fully developed and also includes controls and updates for the past quarter. A clean version of the register is provided at appendix one with changes tracked in the second appendix.

3.3 Leadership Team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed in order to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Heads of Service but these are often delegated. (Heads of Service are responsible for keeping all risks under review and taking action to reduce the impact of the risk on the council.)

3.4 A summary of business risks and the risk tolerance line is shown in the matrix below. Risks in the red area of the grid are those actively managed by Leadership Team in accordance with the Risk Management Strategy.

<b>Impact</b>	<b>A</b>	7, 9, 13	10	3	1,8, 12
	<b>B</b>		4,11	2	
	<b>C</b>			6	5
	<b>D</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Likelihood</b>					

	Description	Likelihood of occurrence	Probability of occurrence	
<b>Likelihood</b>	4 High	Monthly	The event is expected to occur or occurs regularly	
	3 Medium	Annually	The event will probably occur	
	2 Low	1 in 5 years	The event may occur	
	1 Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances	
<b>Impact</b>	Description	Financial	Reputation	Service / operation
	A Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long term disruption to services
	B Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
D Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality	

1	Financial resources
2	Corporate governance and external political environment
3	Performance, resilience and security of IT systems
4	Staff capacity and skills to deliver services
5	Poor performance or failure of key partner or contractor
6	Judicial review and or major legal challenge
7	District Plan
8	Climate change
9	Child / vulnerable adult protection
10	Equalities
11	Internal control
12	Outbreak of disease in humans
13	Business Continuity Plan / Emergency Plan

## 4.0 Options

4.1 The council's most significant risks at present are:

4.1.1 Resources and primarily the reduction in government grant combined with the impact of the pandemic and higher demand for services. Lockdown has caused a loss of income of approximately £800,000 per month. Total Government support of just over £2.9m has been received to date.

4.1.2 Climate change and the need to reduce the council's carbon footprint.

4.1.3 The response to the pandemic has seen a higher demand for services. Managing the council's response has impacted productivity and some critical work. However there have been benefits such as agile working, increased self-service and a reduced carbon footprint due to lack of commuting.

4.1.4 Performance, resilience and security of IT systems. Although the risk hasn't changed, officers have revised scoring by increasing the impact score. This is in line with Members' views

expressed at previous meetings. (The likelihood score remains the same.)

4.2 The scores for two other items changed this month. Following further consideration of risk 7 by the Head of Planning and Building Control and colleagues, the likelihood score has reduced from 2 to 1. The impact score remains unchanged. The score for risk 13 has been reviewed and corrected. The original version was scored high given the pandemic, but revised as the pandemic is detailed separately within the register.

4.3 No new risks have been added to the register and none have been deleted.

4.4 The impact of the pandemic continues to influence a numbers of risks:

4.4.1 Risk 1 - Financial resources: As detailed in 4.1.

4.4.2 Risk 2 – Corporate Governance and the external political environment: Administering Covid support grants, business rate relief and funding to support the safe reopening of high streets in the District. The pandemic has also presented an opportunity to develop customer self-help options given the reduction in visits to council offices.

4.4.3 Risk 4 – Staff capacity and skills to deliver services: Reduction in staff turnover given the employment market.

4.4.4 Risk 5 – Poor performance or failure of key partner or contractor: Risk of business failure has increased due to the pandemic.

4.4.5 Risk 8 – Climate change: The pandemic has resulted in a reduction of the council’s carbon footprint with fewer journeys to the office and reduced energy consumption.

4.4.6 Risk 13 - Business continuity and emergency planning generally: Mutual aid was provided to the NHS to support staff shortages as well as supporting testing and vaccination.

## **5.0 Risks**

5.1 This report details the top business risks facing the council.

## **6.0 Implications/Consultations**

6.1 Leadership Team review 26 April 2021. The Executive Member for Corporate Services has also been consulted.

### **Community Safety**

No

### **Data Protection**

None specific but the topic features within the Strategic Risk Register.

### **Equalities**

None specific but equalities will feature within the Strategic Risk Register in future.

### **Environmental Sustainability**

None specific but climate change features within the Strategic Risk Register.

### **Financial**

None specific but risk management can provide protection of budgets from unexpected losses. Better governance can be demonstrated and the annual audit plan is risk based.



## **Health and Safety**

None specific but risk management processes can provide a safer environment across the District and all services for the benefit of the public, staff and our contractors.

## **Human Resources**

No

## **Human Rights**

No

## **Legal**

None specific but legal matters feature within the Strategic Risk Register.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 Please see the Strategic Risk Registers at Appendices 1 and 2.

**Contact Member** Councillor George Cutting, Executive Member for Corporate Services  
[george.cutting@eastherts.gov.uk](mailto:george.cutting@eastherts.gov.uk)

**Contact Officer** Steven Linnett, Head of Strategic Finance and Property  
Contact Tel. No. 01279 502050  
[steven.linnett@eastherts.gov.uk](mailto:steven.linnett@eastherts.gov.uk)

**Report Author** Graham Mully, Insurance and Risk Business Advisor  
Contact Tel. No. 01279 502166  
[graham.mully@eastherts.gov.uk](mailto:graham.mully@eastherts.gov.uk)

This page is intentionally left blank

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
1	A 4	Financial Resources	<p>Reduction in government grant combined with higher demand for demand-led services such as homelessness, or failure to generate income.</p> <p>Failure to realise capital receipts from disposals to support capital expenditure.</p> <p>External auditor challenges MRP Policy and capital financing decisions</p> <p>Council Tax Referendum levels set too low to generate sufficient tax revenue. Sudden economic down turn results in negative Tax Base figures because of increased local Council Tax support claims</p> <p>Members do not agree</p>	<ul style="list-style-type: none"> <li>• Reductions in services required</li> <li>• Performance against community expectations and targets reduced</li> <li>• Investment in improvement not possible or severely reduced</li> <li>• Failure to meet statutory duties with potential for legal action or Local Government Ombudsman finds significant cases of maladministration</li> <li>• Corporate Manslaughter charges if maintenance works not carried out, e.g. Legionella in air handling and cooling units</li> <li>• Large numbers of staff redundancies</li> <li>• Major media engagement</li> <li>• Potential for MHCLG</li> </ul>	Head of Strategic Finance & Property	<ul style="list-style-type: none"> <li>• Minimum Balances held on risk assessment basis to cushion impact over short term (max 2 years)</li> <li>• Modelling of impact of grant settlement scenarios and function and funding changes</li> <li>• Three year MTFP savings programme</li> <li>• Transformation Programme in scoping stage to deliver savings and efficiencies through an emphasis on: digital self-service; process automation; agile working leading to a much reduced accommodation requirement</li> <li>• Financial Sustainability Committee considering investments in infrastructure or operational assets that yield income or cost reductions that are not caught PWLB lending rules</li> <li>• New capital programme</li> </ul>

Page 9/6	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>significant savings at budget setting leading to an unbalanced budget leading to a s.114 report.</p> <p>Delay and/or significant cost over runs on major projects</p>	<p>intervention</p> <ul style="list-style-type: none"> <li>• Delay leads to cost increases beyond the ability of the council to finance the capital costs</li> <li>• Delays and cost overruns lead to non-delivery of savings requiring service offer reductions to compensate</li> <li>• Projected savings not achieved after project completion due to changes in market away from service offer</li> </ul>		<p>items must make a return for the investment in cost reductions or income on top of covering the interest and MRP costs</p> <ul style="list-style-type: none"> <li>• Charges will be required to be in conformity with proposed corporate policy on charging recovering total costs and concessions will need to be justified in policy terms and funded by higher charges for others.</li> <li>• Business case reviews to ensure that projects make a return</li> <li>• Cost and income estimates commissioned from industry expert consultants to feed into business case</li> <li>• Project delivery by Major Projects Team with quarterly reports on progress to Leadership Team and Executive.</li> <li>• Construction insurance presentation held in</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				<ul style="list-style-type: none"> <li>• Significant local media engagement</li> <li>• Reputational damage.</li> </ul>		<p>November and quotes to be sought for relevant covers.</p> <ul style="list-style-type: none"> <li>• Capital Programme is phased and financed across years and contingency built into budgets so can be re-phased if required.</li> </ul>

**Update on current position**

1		<ul style="list-style-type: none"> <li>• The lockdown has caused a loss of income of approximately £800,000 per month. The third national lockdown was reviewed in mid-February and with the new variants of the virus and the vaccination programme underway the base planning assumption that some form of restriction will remain in place until June at the earliest was confirmed. Once restrictions are eased we expect a cautious and gradual lifting with close examination of data so it is likely to take some time for people to return to their previous patterns of behaviour.</li> <li>• Total Government support of just over £2.9 million has been received to date for Council services. A further £63.6 million has been received by the Council and paid out to support business and the community in East Herts.</li> <li>• Council’s £2.9 million funding compensates for loss of transactional income but not items such as rent on investment properties. It also contains one off funding for new burdens administering grants for business and residents but is significantly less than the actual cost of administering these schemes.</li> <li>• Rent payments on investment properties have no significant defaults to date. Rent reductions have been agreed for 2 tenants in Charringtons but this has to set against compensation that would have been payable when we need to move tenants out for handover for the Old River Lane regeneration as we have included appropriate break clauses as part of the new rent agreement.</li> <li>• Government has committed to the income compensation scheme for the first quarter of 2021/2 and it is possible that they would extend the scheme to cover periods of restrictions beyond quarter 1.</li> <li>• Once the pandemic has ended and the economy has started to recover, the Government will have to determine how</li> </ul>
---	--	--

### Update on current position

it will manage public finances going forward. It is likely that a new phase of austerity may well follow and central funding for district councils is likely to be limited or reduced. The government may well change the local taxation system by abolishing Business Rates and Council Tax and replacing it with some other form of property related or land value taxation. The Government may also decide to impose reorganisation on local government to reduce the number of Councils significantly.

- Leadership Team and Service Managers have looked at agile working proposals and validated the likely maximum number of desks required going forward. Indicative figures at this stage indicate that Wallfields is too large for our requirements and officers are now exploring options around sharing space with tenants or whether relocation elsewhere would produce greater savings.
- Transformation Programme vision, benefits realisation classifications, work streams and new digital by default customer journey ethos due for Executive validation during May with all Member briefing session to be programmed in.
- Savings plans for 2021/22 is on target with garden waste sign up being on budget assumption with a high on-line sign up of 92.5% and direct debit payments at 82%
- Corporate policy on charging to be developed to ensure consistency across charges – there have been a number of below cost charges agreed with no clear policy or justification in the past that are having to be dealt with as part of aligning charges with North Herts for joint commercial waste services.
- Grange Paddocks and Northgate End construction work is underway.
- Hartham contract awarded and within budget in February with works commencing on site late March.
- Old River Lane /Arts Centre change in scope progressing and approved by Council in March alongside the business plan. Development Agreement and Development Management Agreement draft approaching completion in April with s.151 officer and monitoring officer input.
- Hertford Theatre due to commence later in 2021.

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
2	B 3	Corporate Governance and external political environment	<p>Brexit trade deal risks</p>           <p>Planning Policy Changes</p>	<ul style="list-style-type: none"> <li>• Potential project delays due to labour shortages or materials imports, or increased project costs due to tariffs or supply chain difficulties.</li> <li>• Settled status for EU nationals not taken up with consequent Border Force enforcement action</li> <li>• Non-Tariff barriers leading to supply chain price increases and longer replenishment times. Some UK businesses may relocate to the EU making current domestic supplies into imports.</li> <li>• Government policy changes to introduce development zones, ends s.106 and CIL for government infrastructure levy</li> </ul>	Chief Executive	<ul style="list-style-type: none"> <li>• Address issues of labour shortage with contractors at progress meetings. Raise skills shortages at the LEP to ensure we train young people.</li> <li>• Promote settled status application sand provide assistance through the CAB</li> <li>• Consider forward funding stockpile of materials subject to delays as part of contract mobilisation</li> <li>• Consider risks to supply chain as part of procurement exercises</li> <li>• Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies</li> </ul>

Page No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>Local government reorganisation / Devolution</p> <p>Climate Change / Zero Carbon / Build Back Greener</p> <p>Changes to local taxation</p>	<ul style="list-style-type: none"> <li>• Government impose unitary authorities and reduce exchequer grants by savings made</li> <li>• District required to be carbon neutral from 2030 and Government targets set with fines for non-achievement</li> <li>• Business Rates and or Council Tax replaced with Land Value Tax or Local Income Tax</li> <li>• Potential protests and non-payment campaigns</li> <li>• Measure may end land banking with developers commencing on multiple sites to build out permissions and avoid LVT</li> <li>• Uncertainty as to tax yields and redistribution</li> </ul>		<ul style="list-style-type: none"> <li>• Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies.</li> <li>• Work underway to progress carbon reduction and also exploring potential investments that support this aim but would also produce income for the council in the medium term.</li> <li>• Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies.</li> <li>• LVT is in operation in Denmark, Estonia and Latvia and there are suggested routes to implementation already published. Local Income Tax would require key data from HMRC before implications could be</li> </ul>



No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
Page 81			<p>Leadership / Management change</p> <p>Recession leading to increase in unemployment, business failure; low business growth and commercial property values decreasing significantly.</p>	<p>mechanisms cause difficulties budgeting</p> <ul style="list-style-type: none"> <li>• Change in leadership politically sets radically different policy agenda and tone</li> <li>• Change in Leadership Team structure</li> <li>• Unemployment.</li> <li>• Empty properties / shops.</li> <li>• Lower rental income from council property portfolio.</li> <li>• Increased demand on council services.</li> <li>• Reduction in Council Tax Base due to LCTSS being a discount.</li> <li>• Reduction in Business Rates income to the safety net level</li> </ul>		<p>understood.</p> <ul style="list-style-type: none"> <li>• Corporate Plan process</li> <li>• Member induction and training</li> <li>• Code of conduct</li> <li>• Monitoring Officer/ s.151 officer</li> <li>• HR policies</li> <li>• Estimates of workload v capacity</li> <li>• Corporate Plan process</li> <li>• European Regional Development Fund / MHCLG project to support businesses with advice and support on growing. Ware and Bishop’s Stortford Launchpad to be grown.</li> <li>• COVID support grants and business rates reliefs for 2020/21 and 2021/22 to support businesses through the pandemic.</li> <li>• Broxbourne BC and CVS digital skills support</li> </ul>

**Update on current position**

2

- Rydon’s report that there is a national shortage of bricklayers which may affect Northgate End redevelopment timescales although they are confident they can resolve the issue. This situation seems counter intuitive since ONS issued statistics showing 64% of bricklayers were furloughed and their wages fell by 8%. Officers shall continue to monitor the situation and seek to understand the situation but as bricklayers are considered a high vulnerability job, as it cannot be done remotely and therefore has a high risk of infection, there is perhaps a reluctance to come off furlough until they have been vaccinated.
- As at 12 December 7,200 individuals with an East Herts address had applied for Settled Status. This indicates a strong appetite for EU citizens to remain in the district.
- Officers are considering the lessons from how the Council has been able to operate during the pandemic. It is evident that working from home is possible on a greater scale and this will have implications for our future accommodation needs and reduce travel leading to lower carbon emissions
- Council is actively targeting food waste reduction. The Climate Change Committee say that for the UK’s next carbon budget food waste must be reduced by 75% i.e. the vast majority of carbon emissions are from the production and transportation of food that is wasted. The UN report on food waste said that almost a billion tons of food was wasted and led to carbon emissions that if it were a country, would be third behind the USA and China
- 2 stage approach to mitigating recession following COVID-19: In the first lockdown the council supported over 2,200 businesses with £30m of government funded grants and £18m of reliefs. A further £6.8m has been paid out since November through different government grant schemes and a further 600 businesses have benefitted on top of the 2,200 above.
- £132,000 of ERDF funding has been allocated to support safe re-opening of High Streets and has covered work such as traffic management on high streets to encourage social distancing. Due to the second national lockdown retail businesses are again facing significant challenges and our most recent response has been to introduce a shop local campaign focused on on-line buying and takeaways / click and collect services. The funding was also used to purchase hand sanitisers in town centres and planters to replace temporary traffic barriers.
- Council also commissioned a new service with Broxbourne Borough Council and the CVS to support newly unemployed residents get back into work by supporting them with digital skills such as interviewing over Zoom and

**Update on current position**

MS Teams. Service launched 5th October 2020. As at 31 March 2021, 41 individuals had made use of the scheme.

Page 84	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
3	A3	Performance, resilience and security of IT systems	<p>Data and/or information lost causing breach of Data Protection Act</p> <p>Cyber-attack results in total loss of data and systems</p> <p>Investment in ICT does not result in savings</p>	<ul style="list-style-type: none"> <li>• Substantial fine from Information Commissioner</li> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Disruption to services potentially long-running</li> <li>• Inability to carry out enforcement as no records to check against</li> <li>• Resources devoted to recovery moved off to assist police investigation delaying recovery</li> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Council becomes financially unsustainable</li> </ul>	Deputy Chief Executive	<ul style="list-style-type: none"> <li>• Network Virtual Desktop configuration prevents download of data to local storage devices</li> <li>• Network firewall and security systems tested and monitored</li> <li>• Staff training</li> <li>• Confidential waste shredded</li> <li>• Massive reductions in printing since pandemic</li> <li>• Projects to include estimated benefits and monitored through benefits realisation reports. The investment requirements are tried and tested systems that have resulted in savings elsewhere.</li> </ul>

Update on current position		
3		<ul style="list-style-type: none"> <li>• January’s report showed that:                             <ul style="list-style-type: none"> <li>○ 3,298 spam emails were blocked out of 248,920 received.</li> <li>○ 19 impersonation attempts were blocked.</li> <li>○ 20 emails containing malware were blocked.</li> </ul> </li> <li>• A dedicated GDPR/Data Protection Officer has been recruited and has taken up the post.</li> <li>• Recent weekend shutdowns have enabled the disabling of old technology that was no longer supported or updated. New firewalls and switches have been installed and although slightly behind due to resourcing issues, all major projects are progressing well.</li> <li>• A small agile working group has been established and is currently working to develop a trial partial reopening of the Wallfields office in April. We are working towards the Government dates and will review in line with any guidance or changes that emerge. The office has been assessed to ensure it is meeting current COVID guidance.</li> </ul>

Page No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
4	B 2	Staff capacity and skills to deliver services	<p>Loss of key staff</p> <p>Staff capacity unable to deliver projects</p> <p>Unable to recruit to key posts</p>	<ul style="list-style-type: none"> <li>• Disruption to Council services</li> <li>• Poor customer service</li> <li>• Internal control or governance failure</li> <li>• Reputation damaged in the media</li> <li>• Staff cannot undertake level or volume of work to meet all priorities</li> <li>• Council does not deliver performance expectations</li> <li>• Opportunities lost to improve outcomes</li> <li>• Partners lose confidence in ability to deliver</li> <li>• Public lose confidence in ability to deliver</li> <li>• Disruption to Council services</li> <li>• Poor customer service</li> <li>• Internal control or governance failure</li> <li>• Reputation damaged in the media</li> <li>• Disruption to Council</li> </ul>	Head of Human Resources and Org Development	<ul style="list-style-type: none"> <li>• Staff development including the on-line learning pool</li> <li>• Succession planning for key staff within Services</li> <li>• Use of flexible retirement to ensure continuity of experienced staff whilst bringing on staff into roles</li> <li>• Prioritisation of work through the Corporate Plan and Executive Members</li> <li>• Major projects taken forward with corporate project management standards via the Major Projects Team</li> <li>• Market supplements where appropriate</li> <li>• Selective use of external resources and contingent labour through neutral vendor to drive down costs.</li> <li>• Internal communications emphasising welfare and mental health</li> <li>• Contingency planning</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			Industrial action	services <ul style="list-style-type: none"> <li>• Poor customer service</li> <li>• Non-delivery of projects</li> </ul>		<ul style="list-style-type: none"> <li>• Contingency planning</li> </ul>

**Update on current position**

4		<ul style="list-style-type: none"> <li>• Staff turnover had reduced for the 19/20 (1/4/19-31/3/2020) period to 10.1% from 19% (18/19) meaning that the regrading and pay proposals appear to have aided attraction and retention as planned. Turnover has continued to remain low which is common in the current pandemic and for 20/21 it has reduced further to 8.4% for global turnover with 6.3% for voluntary turnover (there were 28 leavers, but 7 leavers left due to redundancy/FTC expiring).</li> <li>• The number of leavers in Q4 did increase and it remains challenging to recruit senior planning officers especially as agency terms are more favourable than direct salaries, the service is being restructured in 21-22 to try to improve the structure and create more opportunities for growth and retention (Golden Hellos are already used where appropriate as is 100% funding for qualifications. The area remains a priority for grow your own through apprentice and career graded posts and these are used but currently there is not a valid apprentice framework to utilise. In line with savings required all recruitment must be approved by Leadership Team with enhanced justification and a requirement to explore either restructures or process changes to eliminate the need for the post.</li> <li>• The temporary labour supply arrangement went live in April 2020 which has reduced fees paid to agencies and ensures a wider pool of potential candidates. This is working fairly well with issues resolved with Matrix where they arise to improve the pooling.</li> <li>• The Indeed EHC branded website is working ok but has not been as successful as hoped. An improved online application form managed through an Applicant Tracking System (ATS) will be introduced in 21-22 to make the candidate journey easier and hopefully reduce the drop off caused by moving between systems.</li> <li>• Ongoing work has continued with the Communications team and HR to improve the online presence and promote the employer brand further. Case studies are being developed to support welcoming diversity.</li> <li>• Career graded posts are continuing to be used and proving successful for hard to recruit posts with all four Lawyer</li> </ul>
---	--	--

**Update on current position**

- roles successfully filled. All four have started in post which is already really improving the legal capacity of EHC.
- A review of apprentices is continuing to both manage costs and support succession. This has been slowed by the pandemic, but we now recruiting into customer services as this allows progression into a range of services. We are awaiting a new planner framework and will use this to bring further planning apprentices.
- The Wellbeing survey was re-run alongside a full staff survey in December 2020 and the staff satisfaction rates received are high which is positive with 95% of respondents proud to work for EHC and 94.7% would recommend EHC to others as a good place to work.

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
5	C 4	Poor performance or failure of key partner or contractor	Poor performance or failure of key partner or contractor	<ul style="list-style-type: none"> <li>• Disruption to all Council services</li> <li>• Additional costs resulting from response</li> <li>• Demand to partner organisations to provide mutual aid to support our response</li> <li>• Cost and time involved in unplanned procurement exercises</li> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Disruption to council services</li> </ul>	Head of Operations	<ul style="list-style-type: none"> <li>• Risk of contractor failure increased due to COVID. Regular discussions are continuing with contractors and key third sector partners to ensure no failures in delivery particularly during the pandemic</li> <li>• Credit risk scores are obtained for major contractors during the operation of the contract and particular attention is paid to trade news concerning contractors'</li> </ul>



No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			Failure to mobilise major outsourced contracts properly and/or on time	<ul style="list-style-type: none"> <li>• Damage to relations with outsourcing partner and potential damages claim</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>		financial health. <ul style="list-style-type: none"> <li>• Offer of open book accounting to examine any potential cost increases as a result of changing circumstances.</li> <li>• Waste-related business continuity plans are also regularly reviewed. Brexit restrictions and the closure of Asian export markets will impact on the sale of and income may cease and costs may increase. Talks are ongoing with other Hertfordshire authorities to determine alternative recycling operators. The council is investigating a circular economy option for the plastics waste stream in particular.</li> </ul>

Page 89	<b>Update on current position</b>					
						<ul style="list-style-type: none"> <li>• Risk of business failure has increased due to COVID. Business continuity plans refreshed and regular dialogue maintained with contractors who have been informed the council would look sympathetically at cost increases</li> </ul>

**Update on current position**

- provided the council was told in advance and the contactor undertook to use reasonable endeavours to resolve cost pressures themselves utilising furlough and other central government support.
- Successful bid to the National Leisure Recovery Fund in partnership with SLM to support costs whilst reopening with reduced activities and reduced class sizes to maintain social distancing.
  - Contingency plans to step in should contractors fail. Principal route will be to use a TEKAL company to provide the service pending retendering as the company vehicle preserves the private sector T&Cs of employment.
  - Council has and is prepared to offer loans to help contractors with cashflow, subject to an assessment that they are a going concern
  - Requirement for higher recycled packaging content has caused some plastic materials prices to increase.

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
6	C 3	Judicial Review and or major legal challenge	<ul style="list-style-type: none"> <li>• Council loses case</li> </ul>	<ul style="list-style-type: none"> <li>• Council policy (ies) can no longer be used</li> <li>• Unregulated activity until soundly based policy put in place</li> <li>• Large costs award against Council</li> <li>• Reputational damage</li> <li>• Major media engagement</li> <li>• Monitoring Officer and or s.151 officer issues Report in the Public</li> </ul>	Head of Legal and Democratic Services	<ul style="list-style-type: none"> <li>• All Executive, Committee and Council reports require sign off by legal and finance to ensure compliance with budget and policy framework and current legislation.</li> <li>• List of policies maintained with review dates.</li> <li>• Information Governance function strengthened to ensure compliance with data protection.</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				Interest <ul style="list-style-type: none"> <li>• MHCLG intervention</li> <li>• Potential requirement to repeat procurement exercise and compensate unsuccessful bidders in first exercise</li> <li>• Additional and or abortive costs</li> </ul>		<ul style="list-style-type: none"> <li>• Policies should be backed by evidence and Leadership Team consideration involves constructive challenge as well as formal Monitoring Officer and s.151 officer.</li> </ul>

Update on current position						
6				<ul style="list-style-type: none"> <li>• Four new solicitors starting with the Council following a successful recruitment process. First solicitor started in January and the final one joined in April. The Contracts Lawyer, who started in March 2021, will allow for much greater control over the Council’s major project work and has already begun attending meeting of this nature.</li> <li>• Successfully recruited an Information Governance and Data Protection Manager who started at the beginning of 2021, providing the Council with greater resilience against data breaches. Making good progress in addressing any deficiencies or weakness in the Council’s approach to data protection and information management.</li> <li>•</li> </ul>		

Page No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
16	A 1	District Plan	Failure to refresh District	<ul style="list-style-type: none"> <li>• Planning becomes</li> </ul>	Head of	<ul style="list-style-type: none"> <li>• Evidence based planning</li> </ul>

Page 22

Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
		Plan to timescales and /or refreshed District Plan found to be unsound at examination	developer led rather than planning policy led through 5 year land supply test <ul style="list-style-type: none"> <li>• Additional costs to redo work Additional costs of planning appeals and possible judicial reviews</li> <li>• Reputational damage</li> <li>• Loss of affordable housing and S.106 / community infrastructure levy benefits</li> <li>• Failure to meet 5 year Housing Land Supply requirements</li> <li>• Possible intervention by MHCLG</li> </ul>	Planning	policy decisions <ul style="list-style-type: none"> <li>• Strong focus on Member, Parish, partner and community buy-in</li> </ul>

Update on current position					
7		<ul style="list-style-type: none"> <li>•</li> <li>• The District Plan was adopted in October 2018 following a successful examination in public.</li> <li>• Planning in East Herts is therefore 'plan-led' rather than 'developer-led'.</li> <li>• The majority of strategic sites now have an agreed Masterplan.</li> <li>• Following the Housing Delivery Test results in January, the Council has maintained the minimum 5% buffer and</li> </ul>			

Update on current position	
	<p>therefore can demonstrate a five year land supply in excess of 6 years.</p> <ul style="list-style-type: none"> <li>• The Council has also continued its trend of annual improvements on the Housing Delivery Test, this year being able to demonstrate a 104% delivery rate meaning that the Council is meeting its housing need and addressing the undersupply of previous years as well.</li> <li>• A total of 994 dwellings were completed in 2020/21. Of these, 326 were affordable homes which represents 32.8% of all completed dwellings in the district.</li> <li>• To be effective plans need to be kept up-to-date. The National Planning Policy Framework states policies in local plans, should be reviewed to assess whether they need updating at least once every 5 years, and should then be <a href="#">updated as necessary</a>. Officers are currently considering whether a review of the District Plan is required.</li> </ul>

Page 24	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
8	A 4	Climate change	<p>Severe Weather causing major incident (includes flood, wind, snow, cold and heat)</p> <p>Drought</p> <p>Weather extremes require substantial retrofit costs for asset adaptations</p>	<ul style="list-style-type: none"> <li>• Disruption to Council services as staff diverted to response</li> <li>• Additional costs of response</li> <li>• Service changes required if long recovery phase</li> <li>• Service change required to adapt e.g. heatwave early day starts</li> <li>• Major media engagement</li> <li>• Disruption to some services through water restrictions</li> <li>• Additional costs of support to vulnerable service users</li> <li>• Public health issues</li> <li>• Non-availability of capital resources may cause working conditions on some days to be unbearable.</li> <li>• Instances of abandoning assets where hold the</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Business Continuity Plan Severe Weather section</li> <li>• Emergency Plan including specific response plans to flooding etc.</li> <li>• Health and Safety Policy details severe weather response</li> <li>• Council reducing carbon footprint for the district</li> <li>• Emergency Plan</li> <li>• Business continuity plan</li> <li>• Council reducing carbon footprint for the district</li> <li>• New modern workspace work stream of the Transformation Programme will address climate change issues in the design</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				line defences against floods no longer viable <ul style="list-style-type: none"> <li>Increasing attacks by non-native species causing biodiversity loss</li> <li>Increased costs arising from new operating requirements, e.g. sustained +30 degree heat requires refuse freighter insides to be degreased and jettied out regularly to prevent oils and fats combusting</li> </ul>		

Update on current position						
8				<ul style="list-style-type: none"> <li>Climate change motion agreed July 2019.</li> <li>Multi-agency environmental and climate change forum continues.</li> <li>Energy efficiency modifications to key existing buildings and new electricity contract is from renewable sources.</li> <li>Review of motor fleet with extended use of e-vehicles proposed.</li> <li>Carbon footprint reducing as a consequence of pandemic and homeworking. Future agile working will support.</li> <li>Food waste minimisation campaign to reduce carbon footprint by food being wasted as well as the disposal route.</li> <li>Engagement with insurers over design / materials for new buildings.</li> </ul>		

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
9	A 1	Child / Vulnerable Adult Protection	Child / Vulnerable Adult protection failure	<ul style="list-style-type: none"> <li>• Possible legal action for damages</li> <li>• Possible prosecution</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Safeguarding policy</li> <li>• Annual training for staff and Members</li> </ul>

Update on current position						
9				<ul style="list-style-type: none"> <li>• Member safeguarding training took place on 17 February 2021</li> <li>• Office training on safeguarding annually</li> </ul>		

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
10	A 2	Equalities	Council found to discriminated against individuals or communities with protected characteristics OR council has made a decision without considering equalities and diversity implications.	<ul style="list-style-type: none"> <li>• Possible legal action for damages</li> <li>• Possible enquiry and report by Equalities &amp; Human Rights Commission</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>	Head of Comms, Policy & Strategy	<ul style="list-style-type: none"> <li>• East Herts into a shared service for equalities and diversity support with HCC in November 2020.</li> <li>• New strategy being developed to address challenges and embed equalities and diversity in decision making.</li> </ul>



Update on current position		
10		<ul style="list-style-type: none"> <li>• Strategy due to go to Overview and Scrutiny Committee on 8 June 2021, then Executive 6 July and Council 28 July.</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
11	B 2	Internal control	Failure of internal control or unethical behaviour	<ul style="list-style-type: none"> <li>• Qualified accounts</li> <li>• Possible Police involvement if fraud involved</li> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Increased costs as a result of loss or fine or compensation payments</li> </ul>	Head of Strategic Finance and Property	<ul style="list-style-type: none"> <li>• Key reconciliations carried out regularly.</li> <li>• Internal audit work planned and undertaken on key areas.</li> <li>• Assurance Mapping</li> <li>• Electronic workflow where controls much harder to circumvent</li> <li>• Separation of duties appropriate to the staffing numbers</li> </ul>

Update on current position		
11		<ul style="list-style-type: none"> <li>• Audits remain mostly on track and there is sufficient audit scope for an assurance opinion to be given</li> <li>• Assurance Mapping approach to be introduced which will show visually where assurance is gained and also identifies duplications and unnecessary steps which will inform officers undertaking lean process reviews and help Audit &amp; Governance Committee to see where there are risks and then internal audit resources can be directed there.</li> </ul>

Page No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
12	A 4	Outbreak of disease in humans	Pandemic and/or Public Health Emergency Declared	<ul style="list-style-type: none"> <li>• Loss of staff and/or key skills due to illness and related absenteeism</li> <li>• Requirement to enable entire workforce to work from home</li> <li>• Requirement for Council and Committees to meet via video conference</li> <li>• Loss of income/additional costs</li> <li>• Loss of essential services /utilities/ suppliers</li> <li>• Demand from partner organisations to provide staff and other resources to support their response</li> <li>• Major media engagement</li> <li>• Disruption to all Council services</li> <li>• Increased risk of fraud from support programmes</li> </ul>	Head of Housing and Health	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Emergency Plan</li> <li>• Dynamic risk assessments and keeping office open and COVID secure in line with government guidance.</li> <li>• Agile working introduced and scaled up to ensure social distancing</li> <li>• Fraud alerts on pandemic circulated by SAFS</li> </ul>

Update on current position		
12		<ul style="list-style-type: none"> <li>• Updates on financial compensation are included under Risk 1</li> <li>• Updates on recovery work on supporting the local economy are detailed under Risk 2</li> <li>• Alternative working methods instigated as a result of Covid 19 including home working and IT communications solutions (Zoom, Teams, WhatsApp and the like)</li> <li>• Agile Working pilot commenced 19<sup>th</sup> April 2021 to trial more permanent move to more flexible working methods</li> <li>• Detailed, up-to-date risk assessments in place including frequent Covid self-testing</li> <li>• Live Well, Work Well programme amended to incorporate greater emphasis on staff mental health</li> <li>• Joined up working with key partners, notably HCC and the police, to ensure coherent and planned use of financial and staff resources, for example Covid marshals and joint visits/advice/enforcement actions re: businesses</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
13	A1	Business Continuity Plan / Emergency Plan	Major Incident Occurs  Plan fails	<ul style="list-style-type: none"> <li>• Loss of essential services / utilities/ suppliers</li> <li>• Demand from partner organisations to provide staff and other resources to support their response</li> <li>• Major media engagement</li> <li>• Disruption to all Council services</li> <li>• Unable to support partner organisations to provide staff and other resources to support their response</li> <li>• Possible legal action or public inquiry</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Emergency Plan Major Incident protocols</li> <li>• Business Continuity Plan</li> <li>• Keep plans under review every 6 month and keep evidence.</li> <li>• Review of response after every incident</li> <li>• Training for staff in EP roles</li> <li>• Regular exercises once a quarter</li> <li>• Emergency and Resilience work provided through Hertfordshire County Council</li> </ul>

Update on current position						
13		<ul style="list-style-type: none"> <li>• Normal business continuity and emergency planning activities have continued during the pandemic</li> <li>• Mutual aid was provided to the NHS to support staff shortages as well as supporting testing and vaccination</li> <li>• Desk top exercise accessing plans and refresh of contact lists undertaken</li> <li>• Communications test undertaken from County to Districts to check notification cascade.</li> </ul>				

	Description	Likelihood of occurrence	Probability of occurrence	
Likelihood	4 High	Monthly	The event is expected to occur or occurs regularly	
	3 Medium	Annually	The event will probably occur	
	2 Low	1 in 5 years	The event may occur	
	1 Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances	
	Description	Financial	Reputation	Service / operation
Impact	A Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long term disruption to services
	B Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

This page is intentionally left blank

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
1	A 4	Financial Resources	<p>Reduction in government grant combined with higher demand for demand-led services such as homelessness, or failure to generate income.</p> <p>Failure to realise capital receipts from disposals to support capital expenditure.</p> <p>External auditor challenges MRP Policy and capital financing decisions</p> <p>Council Tax Referendum levels set too low to generate sufficient tax revenue. Sudden economic Down turn results in negative Tax Base figures because of increased local Council Tax support claims</p> <p>Members do not agree</p>	<ul style="list-style-type: none"> <li>• Reductions in services required</li> <li>• Performance against community expectations and targets reduced</li> <li>• Investment in improvement not possible or severely reduced</li> <li>• Failure to meet statutory duties with potential for legal action or Local Government Ombudsman finds significant cases of maladministration</li> <li>• Corporate Manslaughter charges if maintenance works not carried out, e.g. Legionella in air handling and cooling units</li> <li>• Large numbers of staff redundancies</li> <li>• Major media engagement</li> <li>• Potential for MHCLG</li> </ul>	Head of Strategic Finance & Property	<ul style="list-style-type: none"> <li>• Minimum Balances held on risk assessment basis to cushion impact over short term (max 2 years)</li> <li>• Modelling of impact of grant settlement scenarios and function and funding changes</li> <li>• Three year MTFP savings programme</li> <li>• Transformation Programme in scoping stage to deliver savings and efficiencies through an emphasis on: digital self-service; process automation; agile working leading to a much reduced accommodation requirement</li> <li>• Financial Sustainability Committee considering investments in infrastructure or operational assets that yield income or cost reductions that are not caught PWLB lending rules</li> <li>• New capital programme</li> </ul>

Page 104	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>significant savings at budget setting leading to an unbalanced budget leading to a s.114 report.</p> <p>Delay and/or significant cost over runs on major projects</p>	<p>intervention</p> <ul style="list-style-type: none"> <li>• Delay leads to cost increases beyond the ability of the council to finance the capital costs</li> <li>• Delays and cost overruns lead to non-delivery of savings requiring service offer reductions to compensate</li> <li>• Projected savings not achieved after project completion due to changes in market away from service offer</li> </ul>		<p>items must make a return for the investment in cost reductions or income on top of covering the interest and MRP costs</p> <ul style="list-style-type: none"> <li>• Charges will be required to be in conformity with proposed corporate policy on charging recovering total costs and concessions will need to be justified in policy terms and funded by higher charges for others.</li> <li>• Business case reviews to ensure that projects make a return</li> <li>• Cost and income estimates commissioned from industry expert consultants to feed into business case</li> <li>• Project delivery by Major Projects Team with quarterly reports on progress to Leadership Team and Executive.</li> <li>• Construction insurance presentation held in</li> </ul>



No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				<ul style="list-style-type: none"> <li>• Significant local media engagement</li> <li>• Reputational damage.</li> </ul>		<p>November and quotes to be sought for relevant covers.</p> <ul style="list-style-type: none"> <li>• Capital Programme is phased and financed across years and contingency built into budgets so can be re-phased if required.</li> </ul>

**Update on current position**

1		<ul style="list-style-type: none"> <li>• The lockdown has caused a loss of income of approximately £800,000 per month. The third national lockdown <del>will be</del> reviewed in mid-February <del>but and</del> with the new variants of the virus and the vaccination programme underway the base planning assumption <del>is</del> that some form of restriction will remain in place until June at the earliest <del>was confirmed</del>. Once restrictions are eased we expect a cautious and gradual lifting <del>on a regional basis</del> with close examination of data so it is likely to take some time for people to return to their previous patterns of behaviour.</li> <li>• Total Government support of just over £2.9 million has been received to date for Council services. A further £63.6 million has been received by the Council and paid out to support business and the community in East Herts.</li> <li>• Council’s £2.9 million funding compensates for loss of transactional income but not items such as rent on investment properties. It also contains one off funding for new burdens administering grants for business and residents but is significantly less than the actual cost of administering these schemes.</li> <li>• Rent payments on investment properties have no significant defaults to date. Rent reductions have been agreed for 2 tenants in Charringtons but this has to set against compensation that would have been payable when we need to move tenants out for handover for the Old River Lane regeneration as we have included appropriate break clauses as part of the new rent agreement.</li> <li>• Government has committed to the income compensation scheme for the first quarter of 2021/2 and it is possible that they would extend the scheme to cover periods of restrictions beyond quarter 1.</li> <li>• Once the pandemic has ended and the economy has started to recover, the Government will have to determine how</li> </ul>
---	--	--

## Update on current position

it will manage public finances going forward. It is likely that a new phase of austerity may well follow and central funding for district councils is likely to be limited or reduced. The government may well change the local taxation system by abolishing Business Rates and Council Tax and replacing it with some other form of property related or land value taxation. The Government may also decide to impose reorganisation on local government to reduce the number of Councils significantly.

- Leadership Team and Service Managers have looked at agile working proposals and validated the likely maximum number of desks required going forward. Indicative figures at this stage indicate that Wallfields is ~~not suitable~~ too large for our requirements and officers are now exploring options around sharing space with HCC tenants or whether relocation elsewhere would produce greater savings.
- Transformation Programme vision, benefits realisation classifications, work streams and new digital by default customer journey ethos due for Executive validation during May with all Member briefing session to be programmed in.
- Savings plans for 2021/22 is on target with garden waste sign up being on budget assumption with a high on-line sign up of 92.5% and direct debit payments at 82%
- Corporate policy on charging to be developed to ensure consistency across charges – there have been a number of below cost charges agreed with no clear policy or justification in the past that are having to be dealt with as part of aligning charges with North Herts for joint commercial waste services.
- Grange Paddocks and Northgate End construction work is underway.
- Hartham contract awarded and within budget in February with works commencing on site late March.
- Old River Lane /Arts Centre change in scope progressing and due to return to approved by Council in March alongside the n-March to sign-off business plan. Development Agreement and Development Management Agreement draft approaching completion in April with s.151 officer and monitoring officer input.
- Hertford Theatre due to commence later in 2021.



No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>Local government reorganisation / Devolution</p> <p>Climate Change / Zero Carbon / Build Back Greener</p> <p>Changes to local taxation</p>	<ul style="list-style-type: none"> <li>• Government impose unitary authorities and reduce exchequer grants by savings made</li> <li>• District required to be carbon neutral from 2030 and Government targets set with fines for non-achievement</li> <li>• Business Rates and or Council Tax replaced with Land Value Tax or Local Income Tax</li> <li>• Potential protests and non-payment campaigns</li> <li>• Measure may end land banking with developers commencing on multiple sites to build out permissions and avoid LVT</li> <li>• Uncertainty as to tax yields and redistribution</li> </ul>		<ul style="list-style-type: none"> <li>• Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies.</li> <li>• Work underway to progress carbon reduction and also exploring potential investments that support this aim but would also produce income for the council in the medium term.</li> <li>• Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies.</li> <li>• LVT is in operation in Denmark, Estonia and Latvia and there are suggested routes to implementation already published. Local Income Tax would require key data from HMRC before implications could be</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>Leadership / Management change</p> <p>Recession leading to increase in unemployment, business failure; low business growth and commercial property values decreasing significantly.</p>	<p>mechanisms cause difficulties budgeting</p> <ul style="list-style-type: none"> <li>• Change in leadership politically sets radically different policy agenda and tone</li> <li>• Change in Leadership Team structure</li> <li>• Unemployment.</li> <li>• Empty properties / shops.</li> <li>• Lower rental income from council property portfolio.</li> <li>• Increased demand on council services.</li> <li>• Reduction in Council Tax Base due to LCTSS being a discount.</li> <li>• Reduction in Business Rates income to the safety net level</li> </ul>		<p>understood.</p> <ul style="list-style-type: none"> <li>• Corporate Plan process</li> <li>• Member induction and training</li> <li>• Code of conduct</li> <li>• Monitoring Officer/ s.151 officer</li> <li>• HR policies</li> <li>• Estimates of workload v capacity</li> <li>• Corporate Plan process</li> <li>• European Regional Development Fund / MHCLG project to support businesses with advice and support on growing. Ware and Bishop’s Stortford Launchpad to be grown.</li> <li>• COVID support grants and business rates reliefs for 2020/21 and 2021/22 to support businesses through the pandemic.</li> <li>• Broxbourne BC and CVS digital skills support</li> </ul>

## Update on current position

2

- Rydon's report that there is a national shortage of bricklayers which may affect Northgate End redevelopment timescales although they are confident they can resolve the issue. This situation seems counter intuitive since ONS issued statistics showing 64% of bricklayers were furloughed and their wages fell by 8%. Officers shall continue to monitor the situation and seek to understand the situation but as bricklayers are considered a high vulnerability job, as it cannot be done remotely and therefore has a high risk of infection, there is perhaps a reluctance to come off furlough until they have been vaccinated.
- As at 12 December 7,200 individuals with an East Herts address had applied for Settled Status. This indicates a strong appetite for EU citizens to remain in the district.
- Officers are considering the lessons from how the Council has been able to operate during the pandemic. It is evident that working from home is possible on a greater scale and this will have implications for our future accommodation needs and reduce travel leading to lower carbon emissions
- Council is actively targeting food waste reduction. The Climate Change Committee say that for the UK's next carbon budget food waste must be reduced by 75% i.e. the vast majority of carbon emissions are from the production and transportation of food that is wasted. The UN report on food waste said that almost a billion tons of food was wasted and led to carbon emissions that if it were a country, would be third behind the USA and China
- ~~As at 4th January only 32 individuals in EH had made use of the digital skills scheme however we anticipate referrals will increase once furlough schemes come to an end.~~
- ~~Dayton Bell has been awarded the business support contract and the project was officially launched on 4th January.~~
- 2 stage approach to mitigating recession following COVID-19: In the first lockdown the council supported over 2,200 businesses with £30m of government funded grants and £18m of reliefs. A further £6.8m has been paid out since November through different government grant schemes and a further 600 businesses have benefitted on top of the 2,200 above.
- £132,000 of ERDF funding has been allocated to support safe re-opening of High Streets and has covered work such as traffic management on high streets to encourage social distancing. Due to the second national lockdown retail businesses are again facing significant challenges and our most recent response has been to introduce a shop local campaign focused on on-line buying and takeaways / click and collect services. [The funding was also used to](#)

Update on current position		
		<p><a href="#">purchase hand sanitisers in town centres and planters to replace temporary traffic barriers.</a></p> <ul style="list-style-type: none"><li>• Council also commissioned a new service with Broxbourne Borough Council and the CVS to support newly unemployed residents get back into work by supporting them with digital skills such as interviewing over Zoom and MS Teams. Service launched 5th October 2020. <a href="#">As at 31 March 2021, 41 individuals had made use of the scheme.</a></li></ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
3	B-3A3	Performance, resilience and security of IT systems	<p>Data and/or information lost causing breach of Data Protection Act</p> <p>Cyber-attack results in total loss of data and systems</p> <p>Investment in ICT does not result in savings</p>	<ul style="list-style-type: none"> <li>Substantial fine from Information Commissioner</li> <li>Major media engagement</li> <li>Reputational damage</li> <li>Disruption to services potentially long-running</li> <li>Inability to carry out enforcement as no records to check against</li> <li>Resources devoted to recovery moved off to assist police investigation delaying recovery</li> <li>Major media engagement</li> <li>Reputational damage</li> <li>Council becomes financially unsustainable</li> </ul>	Deputy Chief Executive	<ul style="list-style-type: none"> <li>Network Virtual Desktop configuration prevents download of data to local storage devices</li> <li>Network firewall and security systems tested and monitored</li> <li>Staff training</li> <li>Confidential waste shredded</li> <li>Massive reductions in printing since pandemic</li> <li>Projects to include estimated benefits and monitored through benefits realisation reports. The investment requirements are tried and tested systems that have resulted in savings elsewhere.</li> </ul>



Update on current position	
3	<ul style="list-style-type: none"> <li>• <u>January’s report showed that:</u> <ul style="list-style-type: none"> <li>○ <u>3,298 spam emails were blocked out of 248,920 received.</u></li> <li>○ <u>19 impersonation attempts were blocked.</u></li> <li>○ <u>20 emails containing malware were blocked.</u></li> </ul> </li> <li>• <u>A dedicated GDPR/Data Protection Officer has been recruited and has taken up the post.</u></li> <li>• <u>Recent weekend shutdowns have enabled the disabling of old technology that was no longer supported or updated. New firewalls and switches have been installed and although slightly behind due to resourcing issues, all major projects are progressing well.</u></li> <li>• <u>A small agile working group has been established and is currently working to develop a trial partial reopening of the Wallfields office in April. We are working towards the Government dates and will review in line with any guidance or changes that emerge. The office has been assessed to ensure it is meeting current COVID guidance.</u></li> <li>• <del>November’s report showed that:</del> <ul style="list-style-type: none"> <li>○ <del>3,752 spam emails were blocked</del></li> <li>○ <del>7 impersonation attempts were blocked</del></li> <li>○ <del>14 emails containing malware were blocked.</del></li> </ul> </li> <li>• <del>Digital By Design is continuing to progress improved online interactions with the public. We are waiting on the results of the recent webchat trial. Online forms have been developed and added to the website in record time to enable businesses to claim government grants during the pandemic. We are starting to review the benefits and challenges that agile working has brought in order that we can harness where improvements have resulted.</del></li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
4	B 2	Staff capacity and skills to deliver services	<p>Loss of key staff</p> <p>Staff capacity unable to deliver projects</p> <p>Unable to recruit to key posts</p>	<ul style="list-style-type: none"> <li>• Disruption to Council services</li> <li>• Poor customer service</li> <li>• Internal control or governance failure</li> <li>• Reputation damaged in the media</li> <li>• Staff cannot undertake level or volume of work to meet all priorities</li> <li>• Council does not deliver performance expectations</li> <li>• Opportunities lost to improve outcomes</li> <li>• Partners lose confidence in ability to deliver</li> <li>• Public lose confidence in ability to deliver</li> <li>• Disruption to Council services</li> <li>• Poor customer service</li> <li>• Internal control or governance failure</li> <li>• Reputation damaged in the media</li> <li>• Disruption to Council</li> </ul>	Head of Human Resources and Org Development	<ul style="list-style-type: none"> <li>• Staff development including the on-line learning pool</li> <li>• Succession planning for key staff within Services</li> <li>• Use of flexible retirement to ensure continuity of experienced staff whilst bringing on staff into roles</li> <li>• Prioritisation of work through the Corporate Plan and Executive Members</li> <li>• Major projects taken forward with corporate project management standards via the Major Projects Team</li> <li>• Market supplements where appropriate</li> <li>• Selective use of external resources and contingent labour through neutral vendor to drive down costs.</li> <li>• Internal communications emphasising welfare and mental health</li> <li>• Contingency planning</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			Industrial action	services <ul style="list-style-type: none"> <li>• Poor customer service</li> <li>• Non-delivery of projects</li> </ul>		<ul style="list-style-type: none"> <li>• Contingency planning</li> </ul>

**Update on current position**

4		<ul style="list-style-type: none"> <li>• <u>Staff turnover had reduced for the 19/20 (1/4/19-31/3/2020) period to 10.1% from 19% (18/19) meaning that the regrading and pay proposals appear to have aided attraction and retention as planned. Turnover has continued to remain low which is common in the current pandemic and <a href="#">for 20/21 it has reduced further to 8.4% for global turnover with 6.3% for voluntary turnover (there were 28 leavers, but 7 leavers left due to redundancy/FTC expiring).</a></u></li> <li>• <u>The number of leavers in Q4 did increase and it remains challenging to recruit senior planning officers especially as agency terms are move favourable than direct salaries, the service is being restructured in 21-22 to try to improve the structure and create more opportunities for growth and retention (Golden Hellos are already used where appropriate as is 100% funding for qualifications. The area remains a priority for grow your own through apprentice and career graded posts and these are used but currently there is not a valid apprentice framework to utilise. at end of quarter 3 this continues (in line with Q2) to be predicted 5.9% for 20/21, a reduction on last year of around 40%.</u></li> <li>• In line with savings required all recruitment must be approved by Leadership Team with enhanced justification and a requirement to explore either restructures or process changes to eliminate the need for the post.</li> <li>• The temporary labour supply arrangement went live in April 2020 which has reduced fees paid to agencies and ensures a wider pool of potential candidates. This is working fairly well with issues resolved with Matrix where they arise to improve the pooling.</li> <li>• <u>The Indeed EHC branded website <a href="#">appears to be working well with only one post re-advertised externally before filling is working ok but has not been as successful as hoped. An improved online application form managed through an Applicant Tracking System (ATS) will be introduced in 21-22 to make the candidate journey easier and hopefully reduce the drop off caused by moving between systems.</a></u></li> <li>• Ongoing work has continued with the Communications team and HR to improve the online presence and promote</li> </ul>
---	--	---

**Update on current position**

- the employer brand further. Case studies are being developed to support welcoming diversity.
- Career graded posts are continuing to be used and proving successful for hard to recruit posts with all four Lawyer roles successfully filled. (Start dates pending). All four have started in post which is already really improving the legal capacity of EHC.
  - A review of apprentices is continuing to both manage costs and support succession. This has been slowed by the pandemic, but we now recruiting into customer services as this allows progression into a range of services. We are awaiting a new planner framework and will use this to bring further planning apprentices.
  - The Wellbeing survey was re-run alongside a full staff survey in December 2020 and the staff satisfaction rates received are high which is positive with 95% of respondents proud to work for EHC and 94.7% would recommend EHC to others as a good place to work.

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
5	C 4	Poor performance or failure of key partner or contractor	Poor performance or failure of key partner or contractor	<ul style="list-style-type: none"> <li>• Disruption to all Council services</li> <li>• <del>Delays to major projects and projected savings not achieved</del></li> <li>• Additional costs resulting from response</li> <li>• Demand to partner organisations to provide mutual aid to support our response</li> <li>• Cost and time involved in unplanned</li> </ul>	Head of Operations	<ul style="list-style-type: none"> <li>• Risk of contractor failure increased due to COVID. Regular discussions are continuing with contractors and key third sector partners to ensure no failures in delivery particularly during the pandemic</li> <li>• Credit risk scores are obtained for major contractors during the operation of the contract</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>Failure to mobilise major outsourced contracts properly and/or on time</p>	<p>procurement exercises</p> <ul style="list-style-type: none"> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Disruption to council services</li> <li>• Damage to relations with outsourcing partner and potential damages claim</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>		<p>and particular attention is paid to trade news concerning contractors' financial health.</p> <ul style="list-style-type: none"> <li>• Offer of open book accounting to examine any potential cost increases as a result of changing circumstances.</li> <li>• Waste-related business continuity plans are also regularly reviewed. Brexit restrictions and the closure of Asian export markets will impact on the sale of and income may cease and costs may increase. Talks are ongoing with other Hertfordshire authorities to determine alternative recycling operators. The council is investigating a circular economy option for the plastics waste stream in particular.</li> </ul>

		Update on current position
5		<ul style="list-style-type: none"> <li>• Risk of business failure has increased due to COVID. Business continuity plans refreshed and regular dialogue maintained with contractors who have been informed the council would look sympathetically at cost increases provided the council was told in advance and the contractor undertook to use reasonable endeavours to resolve cost pressures themselves utilising furlough and other central government support.</li> <li>• Successful bid to the National Leisure Recovery Fund in partnership with SLM to support costs whilst reopening with reduced activities and reduced class sizes to maintain social distancing.</li> <li>• Contingency plans to step in should contractors fail. Principal route will be to use a TEKAL company to provide the service pending retendering as the company vehicle preserves the private sector T&amp;Cs of employment.</li> <li>• <u>Council has and is prepared to offer loans to help contractors with cashflow, subject to an assessment that they are a going concern</u></li> <li>• <u>Requirement for higher recycled packaging content has caused some plastic materials prices to increase.</u></li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
6	C 3	Judicial Review and or major legal challenge	<ul style="list-style-type: none"> <li>• Council loses case</li> </ul>	<ul style="list-style-type: none"> <li>• Council policy (ies) can no longer be used</li> <li>• Unregulated activity until soundly based policy put in place</li> <li>• Large costs award against Council</li> <li>• Reputational damage</li> <li>• Major media engagement</li> <li>• Monitoring Officer and</li> </ul>	Head of Legal and Democratic Services	<ul style="list-style-type: none"> <li>• All Executive, Committee and Council reports require sign off by legal and finance to ensure compliance with budget and policy framework and current legislation.</li> <li>• List of policies maintained with review dates.</li> <li>• Information Governance function strengthened to</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				or s.151 officer issues Report in the Public Interest <ul style="list-style-type: none"> <li>• MHCLG intervention</li> <li>• Potential requirement to repeat procurement exercise and compensate unsuccessful bidders in first exercise</li> <li>• Additional and or abortive costs</li> </ul>		ensure compliance with data protection. <ul style="list-style-type: none"> <li>• Policies should be backed by evidence and Leadership Team consideration involves constructive challenge as well as formal Monitoring Officer and s.151 officer.</li> </ul>

**Update on current position**

6		<ul style="list-style-type: none"> <li>• <u>Four new solicitors starting with the Council following a successful recruitment process. First solicitor started in January and the final one joined in April. The Contracts Lawyer, who started in March 2021, will allow for much greater control over the Council's major project work and has already begun attending meeting of this nature.</u></li> <li>• <u>Successfully recruited an Information Governance and Data Protection Manager who started at the beginning of 2021, providing the Council with greater resilience against data breaches. Making good progress in addressing any deficiencies or weakness in the Council's approach to data protection and information management.</u></li> <li>• <del>Four new solicitors starting with the Council following a successful recruitment process. First solicitor started in January, the final one set to join in April. The Contracts Lawyer, starting in March 2021, will allow for much greater control over the Council's major project work.</del></li> <li>• <del>Successfully recruited an Information Governance and Data Protection Manager who started at the beginning of 2021, providing the Council with greater resilience against data breaches.</del></li> </ul>
---	--	---

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
7	A <u>21</u>	District Plan	Failure to refresh District Plan to timescales and /or refreshed District Plan found to be unsound at examination	<ul style="list-style-type: none"> <li>• Planning becomes developer led rather than planning policy led through 5 year land supply test</li> <li>• Additional costs to redo work Additional costs of planning appeals and possible judicial reviews</li> <li>• Reputational damage</li> <li>• Loss of affordable housing and S.106 / community infrastructure levy benefits</li> <li>• Failure to meet 5 year Housing Land Supply requirements</li> <li>• Possible intervention by MHCLG</li> </ul>	Head of Planning	<ul style="list-style-type: none"> <li>• Evidence based planning policy decisions</li> <li>• Strong focus on Member, Parish, partner and community buy-in</li> </ul>

**Update on current position**

7		<ul style="list-style-type: none"> <li>• <a href="#">The Council has reserves set aside for additional resources should services be stretched</a></li> <li>• <a href="#">The District Plan was adopted in October 2018 following a successful examination in public.</a></li> </ul>
---	--	---



**Update on current position**

- [Planning in East Herts is therefore 'plan-led' rather than 'developer-led'.](#)
- [The majority of strategic sites now have an agreed Masterplan.](#)
- [Following the Housing Delivery Test results in January, the Council has maintained the minimum 5% buffer and therefore can demonstrate a five year land supply in excess of 6 years.](#)
- [The Council has also continued its trend of annual improvements on the Housing Delivery Test, this year being able to demonstrate a 104% delivery rate meaning that the Council is meeting its housing need and addressing the undersupply of previous years as well.](#)
- [A total of 994 dwellings were completed in 2020/21. Of these, 326 were affordable homes which represents 32.8% of all completed dwellings in the district.](#)
- [To be effective plans need to be kept up-to-date. The National Planning Policy Framework states policies in local plans, should be reviewed to assess whether they need updating at least once every 5 years, and should then be updated as necessary. Officers are currently considering whether a review of the District Plan is required.](#)

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
8	A 4	Climate change	<p>Severe Weather causing major incident (includes flood, wind, snow, cold and heat)</p> <p>Drought</p> <p>Weather extremes require substantial retrofit costs for asset adaptations</p>	<ul style="list-style-type: none"> <li>• Disruption to Council services as staff diverted to response</li> <li>• Additional costs of response</li> <li>• Service changes required if long recovery phase</li> <li>• Service change required to adapt e.g. heatwave early day starts</li> <li>• Major media engagement</li> <li>• Disruption to some services through water restrictions</li> <li>• Additional costs of support to vulnerable service users</li> <li>• Public health issues</li> <li>• Non-availability of capital resources may cause working conditions on some days to be unbearable.</li> <li>• Instances of abandoning assets where hold the</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Business Continuity Plan Severe Weather section</li> <li>• Emergency Plan including specific response plans to flooding etc.</li> <li>• Health and Safety Policy details severe weather response</li> <li>• Council reducing carbon footprint for the district</li> <li>• Emergency Plan</li> <li>• Business continuity plan</li> <li>• Council reducing carbon footprint for the district</li> <li>• New modern workspace work stream of the Transformation Programme will address climate change issues in the design</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				line defences against floods no longer viable <ul style="list-style-type: none"> <li>• Increasing attacks by non-native species causing biodiversity loss</li> <li>• Increased costs arising from new operating requirements, e.g. sustained +30 degree heat requires refuse freighter insides to be degreased and jetted out regularly to prevent oils and fats combusting</li> </ul>		

Update on current position						
8				<ul style="list-style-type: none"> <li>• Climate change motion agreed July 2019.</li> <li>• Multi-agency environmental and climate change forum continues.</li> <li>• Energy efficiency modifications to key existing buildings <u>and new electricity contract is from renewable sources.-</u></li> <li>• Review of motor fleet with extended use of e-vehicles proposed.</li> <li>• <u>Carbon footprint reducing as a consequence of pandemic and homeworking. Future agile working will support.</u></li> <li>• <u>Food waste minimisation campaign to reduce carbon footprint by food being wasted as well as the disposal route.</u></li> <li>• Engagement with insurers over design / materials for new buildings.</li> </ul>		

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
9	A 1	Child / Vulnerable Adult Protection	Child / Vulnerable Adult protection failure	<ul style="list-style-type: none"> <li>• Possible legal action for damages</li> <li>• Possible prosecution</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Safeguarding policy</li> <li>• Annual training for staff and Members</li> </ul>

**Update on current position**

9		<ul style="list-style-type: none"> <li>• <u>Member safeguarding training took place on <a href="#">17 February 2021</a></u></li> <li>• <u><a href="#">Office training on safeguarding annually</a></u></li> </ul>
---	--	---

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
10	A 2	Equalities	<u><del>Council found to have discriminated</del> Council found to discriminated against individuals or communities with protected characteristics OR council has made a decision without considering equalities and diversity implications.</u>	<ul style="list-style-type: none"> <li>• Possible legal action for damages</li> <li>• Possible enquiry and report by Equalities &amp; Human Rights Commission</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>	Head of Comms, Policy & Strategy	<ul style="list-style-type: none"> <li>• <u><a href="#">East Herts into a shared service for equalities and diversity support with HCC in November 2020.</a></u></li> <li>• <u><a href="#">New strategy being developed to address challenges and embed equalities and diversity in decision making.</a></u></li> </ul>

**Update on current position**

10  

- [Strategy due to go to Overview and Scrutiny Committee on 8 June 2021, then Executive 6 July and Council 28 July.](#)

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
11	B 2	Internal control	Failure of internal control or unethical behaviour	<ul style="list-style-type: none"> <li>• Qualified accounts</li> <li>• Possible Police involvement if fraud involved</li> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Increased costs as a result of loss or fine or compensation payments</li> </ul>	Head of Strategic Finance and Property	<ul style="list-style-type: none"> <li>• Key reconciliations carried out regularly.</li> <li>• Internal audit work planned and undertaken on key areas.</li> <li>• Assurance Mapping</li> <li>• Electronic workflow where controls much harder to circumvent</li> <li>• Separation of duties appropriate to the staffing numbers</li> </ul>

**Update on current position**

11  

- Audits remain mostly on track and there is sufficient audit scope for an assurance opinion to be given
- Assurance Mapping approach to be introduced which will show visually where assurance is gained and also identifies duplications and unnecessary steps which will inform officers undertaking lean process reviews and help Audit & Governance Committee to see where there are risks and then internal audit resources can be directed there.

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
12	A 4	Outbreak of disease in humans	Pandemic and/or Public Health Emergency Declared	<ul style="list-style-type: none"> <li>• Loss of staff and/or key skills due to illness and related absenteeism</li> <li>• Requirement to enable entire workforce to work from home</li> <li>• Requirement for Council and Committees to meet via video conference</li> <li>• Loss of income/additional costs</li> <li>• Loss of essential services /utilities/ suppliers</li> <li>• Demand from partner organisations to provide staff and other resources to support their response</li> <li>• Major media engagement</li> <li>• Disruption to all Council services</li> <li>• Increased risk of fraud from support programmes</li> </ul>	Head of Housing and Health	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Emergency Plan</li> <li>• Dynamic risk assessments and keeping office open and COVID secure in line with government guidance.</li> <li>• Agile working introduced and scaled up to ensure social distancing</li> <li>• Fraud alerts on pandemic circulated by SAFS</li> </ul>

Update on current position		
12		<ul style="list-style-type: none"> <li>• <a href="#">Updates on financial compensation are included under Risk 1</a></li> <li>• <a href="#">Updates on recovery work on supporting the local economy are detailed under Risk 2</a></li> <li>• <a href="#">Alternative working methods instigated as a result of Covid 19 including home working and IT communications solutions (Zoom, Teams, WhatsApp and the like)</a></li> <li>• <a href="#">Agile Working pilot commenced 19<sup>th</sup> April 2021 to trial more permanent move to more flexible working methods</a></li> <li>• <a href="#">Detailed, up-to-date risk assessments in place including frequent Covid self-testing</a></li> <li>• <a href="#">Live Well, Work Well programme amended to incorporate greater emphasis on staff mental health</a></li> <li>• <a href="#">Joined up working with key partners, notably HCC and the police, to ensure coherent and planned use of financial and staff resources, for example Covid marshals and joint visits/advice/enforcement actions re: businesses</a></li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
13	A4A1	Business Continuity Plan / Emergency Plan	Major Incident Occurs  Plan fails	<ul style="list-style-type: none"> <li>• Loss of essential services / utilities/ suppliers</li> <li>• Demand from partner organisations to provide staff and other resources to support their response</li> <li>• Major media engagement</li> <li>• Disruption to all Council services</li> <li>• Unable to support partner organisations to provide staff and other resources to support their response</li> <li>• Possible legal action or public inquiry</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Emergency Plan Major Incident protocols</li> <li>• Business Continuity Plan</li> <li>• Keep plans under review every 6 month and keep evidence.</li> <li>• Review of response after every incident</li> <li>• Training for staff in EP roles</li> <li>• <u>Regular exercises once a quarter</u></li> <li>• <u>Emergency and Resilience work provided through Hertfordshire County Council</u></li> </ul>

**Update on current position**

13		<ul style="list-style-type: none"> <li>• <u>Normal business continuity and emergency planning activities have continued during the pandemic</u></li> <li>• <u>Mutual aid was provided to the NHS to support staff shortages as well as supporting testing and vaccination</u></li> <li>• <u>Desk top exercise accessing plans and refresh of contact lists undertaken</u></li> <li>• <u>Communications test undertaken from County to Districts to check notification cascade.</u></li> </ul>
----	--	---

Page 28 of 88



	Description	Likelihood of occurrence	Probability of occurrence	
Likelihood	4 High	Monthly	The event is expected to occur or occurs regularly	
	3 Medium	Annually	The event will probably occur	
	2 Low	1 in 5 years	The event may occur	
	1 Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances	
	Description	Financial	Reputation	Service / operation
Impact	A Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long term disruption to services
	B Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

This page is intentionally left blank

## **East Herts Council Report**

### **Audit and Governance Committee**

**Date of meeting:** 27 May 2021

**Report by:** Tyron Suddes, Information Governance and Data Protection Manager

**Report title:** Data Protection Update

**Ward(s) affected:** All

---

### **Summary**

To provide an update on data protection compliance, including data breaches and subject access requests.

### **RECOMMENDATION FOR AUDIT AND GOVERNANCE COMMITTEE:**

- a) That the Committee notes the content of the report and provides any observations to the Information Governance and Data Protection Manager**

#### **1.0 Proposal(s)**

1.1 As above

#### **2.0 Background**

2.1 Following an update on Information Governance and GDPR compliance given by the Head of Legal and Democratic Services to this Committee on 17<sup>th</sup> November 2020, the Committee requested regular updates on the council's compliance with UK

GDPR and the Data Protection Act 2018 (“data protection legislation”).

2.2 Since starting the role in January 2021, the Information Governance and Data Protection Manager has assessed the council’s compliance with data protection legislation and has found that, although the council is largely compliant, there are areas that require review.

2.3 These areas, including policies and procedures, data identification, data subject rights and data breach have been prioritised and actions are currently being undertaken to ensure compliance. As an overview, the following actions are underway:

2.3.1 An Access to Information Policy has been drafted and approved by Leadership Team and Overview and Scrutiny Committee for final approval by Executive;

2.3.2 The council’s Data Retention Policy and Data Breach Policy and their related procedures, including data retention schedule and data breach procedure have been reviewed and are to be taken to Leadership Team, Overview and Scrutiny Committee and Executive for approval;

2.3.3 A data mapping exercise is being carried out with all services to update and identify data assets and processes. The council’s Record of Processing Activity (“ROPA”) and Information Asset Register are also being updated alongside the wider data mapping exercise;

2.3.4 As a summary, the data mapping exercise is being used to identify:

2.3.4.1 service specific privacy notices so that these can be reviewed and updated where required

- 2.3.4.2 where data is shared and/or processed so that the relevant agreements can be reviewed and updated and so that updated assurance from third parties regarding their UK GDPR compliance can be sought
- 2.3.4.3 where and how data is stored so that current organisational and security measures can be reviewed
- 2.4 As part of a regular data protection update, the committee requested an update on data breaches and subject access requests.
- 2.5 There have been a total of 20 breaches reported to the council's Information Officer from the start of November 2020 to the end of April 2021, of which only one was deemed serious enough to be reported to the Information Commissioner's Office and the affected data subject. Although it was unlikely the breach would be realised, the severity of the risk was high due to the nature of the information. The breach occurred due to human error whereby a staff member sent customers details to an external contact in error by selecting the incorrect contact from the autocomplete function in Outlook. The breach was contained and reported within the statutory 72 hour timeframe and the recipient of the information was asked to permanently delete it which was actioned and confirmed.
- 2.6 Of the other minor breaches, 18 were due to human error and 1 occurred due to theft of a fly tipping camera.
- 2.7 As an overview, breaches due to human error occurred because:
  - 2.7.1 Emails or letters were sent to an incorrect recipient;
  - 2.7.2 Incorrect details were included in emails or letters sent to an intended recipient;

- 2.7.3 Personal data was not sufficiently redacted before being published or sent.
- 2.8 Where breaches were due to human error, the following action(s) were taken:
- 2.8.1 Recipients who had received personal data incorrectly via email or letter were asked to destroy or delete the data;
- 2.8.2 Where personal data had been published this was immediately removed;
- 2.8.3 Staff responsible for the breach, as well as their line manager, were reminded of the serious implications of a data breach, to take more care in future and were advised to re-take the GDPR e-learning course.
- 2.9 The breach attributable to the theft of a fly tipping camera was deemed low risk as the camera was positioned to gather only license plate details which would be difficult to relate to an identifiable person and the storage device in the camera was encrypted.
- 2.10 Keeping in mind that the council processes an extremely large amount of data every day through communications, emails, online accounts and applications, the amount of reported breaches that occurred over this six month period is relatively low.
- 2.11 It is also good to note that, following its review, all staff will be reminded of the updated requirements in the council's Data Breach Policy and related procedural documents to ensure that, in addition to the council's GDPR e-learning course, staff have sufficient knowledge of the implications of data breaches and how to recognise and report them.

2.12 There have been a total of four data subject access requests received from the start of November 2020 to the end of April 2021. Two of these were not upheld as the data subjects could not provide sufficient identification or did not respond to a request for identification. The additional two requests were upheld and the personal data of the requestors was provided within the one month time limit.

### **3.0 Reason(s)**

3.1 The Audit and Governance Committee has within its terms of reference; to provide an effective mechanism to monitor the control environment within the council, ensuring the highest standards of probity and public accountability by challenging and following up internal audit recommendations.

### **4.0 Options**

4.1 The Committee requested an update and so there are no alternative options to consider

### **5.0 Risks**

5.1 Having policies and procedures that are not up to date poses a risk that the council could fall foul of data protection law. These are currently being updated to ensure ongoing compliance.

5.2 Data breaches can pose a financial and reputational risk to the council if they are not reported and dealt with correctly, however, the council, through online training and updated policies and procedures has limited the amount of medium to high risk breaches. Additionally, through regular reporting of lower risk breaches, the council is able to identify trends and possible actions to prevent these reoccurring.

5.3 Similarly, subject access requests, if not responded to correctly and within the statutory one month time frame, can pose financial and reputational risks to the council. This report provides reassurance that the council continues to respond to these requests in line with legislation.

## **6.0 Implications/Consultations**

6.1 None

### **Community Safety**

No

### **Data Protection**

Yes – regular updates on data protection aim to provide assurance that although limited assurance was provided during the 2019/20 audit of information governance, the key areas highlighted are being actioned to ensure the council remains compliant with data protection legislation. Equally, updating on data breaches and subject access requests provides assurance that the council remains compliant in these areas.

### **Equalities**

No

### **Environmental Sustainability**

No

### **Financial**

No

### **Health and Safety**

No

### **Human Resources**

No



## Human Rights

No

## Legal

None, other than as identified above.

## Specific Wards

No

## 7.0 Background papers, appendices and other relevant material

7.1 None

**Contact Member** Councillor George Cutting – Executive Member for Corporate Services  
[George.Cutting@eastherts.gov.uk](mailto:George.Cutting@eastherts.gov.uk)

**Contact Officer** James Ellis – Head of Legal and Democratic Services and Monitoring Officer  
Contact Tel No: 01279 502170  
[james.ellis@eastherts.gov.uk](mailto:james.ellis@eastherts.gov.uk)

**Report Author** Tyron Suddes - Information Governance and Data Protection Manager  
Contact Tel No: 01279 502148  
[Tyron.Suddes@eastherts.gov.uk](mailto:Tyron.Suddes@eastherts.gov.uk)

This page is intentionally left blank

## **East Herts Council Report**

### **Audit and Governance Committee**

**Date of Meeting:** 27 May 2021

**Report by:** James Ellis, Head of Legal and Democratic Services and Monitoring Officer

**Report title:** Standards Update

**Ward(s) affected:** All

---

### **Summary**

The report updates Members of the Committee on standards issues generally.

### **RECOMMENDATION FOR AUDIT AND GOVERNANCE COMMITTEE:**

- (a) That the Committee considers the incidence and type of complaints raised against members and provides any observations to the Head of Legal and Democratic Services.**

#### **1.0 Proposal(s)**

1.1 As above.

#### **2.0 Background**

2.1 Within its terms of reference the Audit and Governance Committee has functions to 'promote and maintain high standards of conduct of Members and Co-opted Members of the Council' and 'maintain an oversight of the council's arrangements for dealing with complaints'. The Committee will therefore receive update reports from the Monitoring Officer

on matters that relate to, or assist to govern, Member conduct.

## East Herts complaints/ issues update

2.2 The complaints made to the Monitoring Officer since the last report to this Committee on 17 November 2020 are as follows:

Complaint about: Parish/Town or District Councillor	Summary of complaint	Action taken
<b>Complaint 8/2020</b> Complaint against District Councillor	Failure to answer questions put to them by a constituent	Complaint rejected - Not a Code of Conduct matter.
<b>Complaint 9/2020</b> Complaints against District Councillor	Failure to respond to Parish Council e-mails	Complaint rejected - Not a Code of Conduct matter.
<b>Complaint 11/2020</b> Complaint against Parish Councillor	Lack of transparency in dealings around a Neighbourhood Plan	Ongoing
<b>Complaint 1/2021</b> Complaint against Town Councillor	Not treating others with respect	Lack of evidence, Cllr reminded of the need to treat everyone with respect.
<b>Complaint 2/2021</b> Complaint against Parish Councillor	Not treating others with respect	Ongoing
<b>Complaint 3/2021</b> Complaint against Parish Councillor	Racial discrimination	Ongoing

2.3 Please note that complaints that are withdrawn by the complainant before they are considered by the Monitoring Officer and Independent Person are not include in the table above.

## **LGA Model Code of Conduct**

2.4 Members will already be aware that the new LGA Model Code of Conduct was adopted at Annual Council on 29<sup>th</sup> April 2021, meaning that going forward; standards complaints will now be considered against this new document.

### **3.0 Reason(s)**

3.1 To ensure good governance within the Council.

### **4.0 Options**

4.1 Not providing updates to Members on standards issues. This option is NOT RECOMMENDED, as to do so would weaken the Committee's ability to adequately promote and maintain the Ethical Standards Framework, and to maintain an oversight of the council's arrangements for dealing with complaints.

### **5.0 Risks**

5.1 Appropriate policy frameworks help to ensure good governance of the Council and therefore reduce risk of poor practice or unsafe decision making.

### **6.0 Implications/Consultations**

6.1 None

### **Community Safety**

No

### **Data Protection**

No

### **Equalities**

No

## **Environmental Sustainability**

No

## **Financial**

No

## **Health and Safety**

No

## **Human Resources**

No

## **Human Rights**

No

## **Legal**

None, other than as identified above.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 None.

### **Contact Officer**

James Ellis – Head of Legal and Democratic Services and Monitoring Officer  
Contact Tel No: 01279 502170  
[james.ellis@eastherts.gov.uk](mailto:james.ellis@eastherts.gov.uk)

## East Herts Council Report

### Audit and Governance Committee

**Date of Meeting:** 27 May 2021

**Report by:** Chairman of Audit and Governance Committee

**Report title:** Audit and Governance Committee - Draft Work Programme 2021/22

**Ward(s) affected:** All

---

### Summary

- To invite Members to review and determine the future work programme of Audit and Governance Committee and any proposed amendments to the ongoing Work Programme.

### **RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE, that:**

- (a) the main agenda items for the next meeting be agreed;**
- (b) the proposed consolidated work programme, at Appendix A, in relation to Audit and Governance matters, be agreed.**

### **1.0 Proposal(s)**

- 1.1 Items previously required, identified or suggested for the work programme are set out in **Appendix A**. The Appendix is now presented as a consolidated report to include those issues for consideration by Overview and Scrutiny Committee. It was felt that consolidating the work of both Committees in one report would give Members of both committees a better perspective from the viewpoint of scrutiny.

## **2.0 Background**

- 2.1 The draft agenda for the next Audit and Governance Committee is shown in **Appendix A**. Members are asked to confirm that these are the key items they wish to consider.
- 2.2 Whilst the timing of some items shown may have to change depending on availability of essential data (eg. from central government), etc members are asked to consider the future programme and add, remove or move items as they see fit.
- 2.3 Members may recall that a Scrutiny Training session was arranged on 11 and 12 May to which all Members of Audit and Governance and Overview and Scrutiny Committee were invited. The bespoke training was provided by David McGrath of Link Services and was tailored to address the recommendations coming out of the Review of Scrutiny undertaken by the CfGS in 2020.

## **3.0 Reason(s)**

- 3.1 While Audit and Governance is not a Scrutiny Committee, it has a specific role of monitoring the budget and oversees a range of information such as inspection reports and action plan monitoring. It approves the Council's Statement of Accounts and is also the Council's Audit Committee and carries out Treasury Management functions. As a result, the work programme helps provide structure and identifies a clear reporting timeframe for those reports.

## **4.0 Options**

- 4.1 Members have the option to include or exclude any items on the proposed work programme, however, officers recommend approval of the listed items as consideration will fulfil the council's audit functions and the items reflect the issues previously raised by members. It is worth noting that this is a draft work programme which is continually reviewed and will



evolve as the work programme develops triggered by external and internal influences.

## **5.0 Risks**

5.1 If the Audit and Governance Committee chose not to consider the various audit and financial reports in the proposed work programme, subject to the Legal observations made later in this report, the council could potentially be at risk of not identifying potential issues and risks to the authority and thus taking mitigating actions.

## **6.0 Implications/Consultations**

6.1 Information on any corporate issues and consultation associated with this report can be found within the body of this report.

### **Community Safety**

No

### **Data Protection**

No

### **Equalities**

No

### **Environmental Sustainability**

No

### **Financial**

None applicable to this report apart from the benefits, as discussed above, of member oversight of the council's key financial practices and policies.

### **Health and Safety**

No

## Human Resources

No

## Human Rights

No

## Legal

None applicable to this report but Audit and Governance is required to receive and consider reports and agree such reports as required by statute. These include for example, the Treasury Management Statement and Statement of Accounts.

**Specific Wards** – All wards

## 7.0 Background papers, appendices and other relevant material

Appendix A

**Contact Member** Mark Pope, Chairman of Performance Audit and Governance Oversight Committee  
[mark.pope@eastherts.gov.uk](mailto:mark.pope@eastherts.gov.uk)

**Contact Officer** James Ellis  
Head of Legal and Democratic Services  
Tel No: 01279 502170  
[james.ellis@eastherts.gov.uk](mailto:james.ellis@eastherts.gov.uk)

**Report Author** Lorraine Blackburn, Scrutiny Officer  
Tel No: 01279 502172  
[lorraine.blackburn@eastherts.gov.uk](mailto:lorraine.blackburn@eastherts.gov.uk)

## Overview and Scrutiny Committee and Audit and Governance Committee - Consolidated Work Programmes 2021/22

*(this is a working document and is subject to regular amendment) – last updated 19 May 2021*

Meeting Date <b>Overview and scrutiny</b>	Topic and Notes	Lead Member and Officer	Meeting Date <b>Audit and Governance</b>	Topic and Notes	Lead Member and Officer
<b>8 June 2021</b>	Executive Member for Corporate Services – Update on Portfolio	Cllr Cutting	<b>27 May 2021</b>	Annual Assurance Statement and Internal Audit Annual Report 2020/21	Simon Martin, SIAS
	RIPA and Use of Social Media - report back (Head of Legal and Democratic Services)	Head of Legal and Democratic Services		Strategic Risk Register – Monitoring 2020/21 - Quarter 4	Graham Mully, Steven Linnett Head of Strategic Finance and Property
	Data Retention Policy	Head of Legal and Democratic Service		2020/21 Provisional Outturn	Steven Linnett Head of Strategic Finance and Property
	Data Breach Policy	Head of Legal and Democratic		2020/21 Annual Anti-Fraud Report	Nick Jennings, SAFS

## Overview and Scrutiny Committee and Audit and Governance Committee - Consolidated Work Programmes 2021/22

*(this is a working document and is subject to regular amendment) – last updated 19 May 2021*

Meeting Date Overview and scrutiny	Topic and Notes	Lead Member and Officer	Meeting Date Audit and Governance	Topic and Notes	Lead Member and Officer
		Services			
	Environmental Sustainability Action Plan (Agreed to report twice a year)	Head of Housing and Health		Data Protection Update Report	James Ellis, Head of Legal and Democratic Services
	Annual Plan and Refreshed Corporate Plan	Head of Communications Strategy and Policy		Standards Update	James Ellis, Head of Legal and Democratic Services
	Draft equalities, Diversity and Inclusion Strategy	Head of Housing and health		Questions to the Executive Member for Financial Sustainability	Executive Member for Financial Sustainability

## Overview and Scrutiny Committee and Audit and Governance Committee - Consolidated Work Programmes 2021/22

*(this is a working document and is subject to regular amendment) – last updated 19 May 2021*

### Executive Responses to recommendations made by O&S Committee:

Parking Recommendations – Report of the Task and Finish group (Considered by Executive on 27 November 2020) – Members updated via Chairman’s Announcements February 2021
Affordable Housing Research - Report and O&S Recommendations – (Considered by Executive on 5 January 2021) Members updated via Chairman’s Announcements February 2021

### Updates

Overview and Scrutiny Committee	Audit and Governance
	Complaints lodged with the Monitoring Officer (Head of Democratic and Legal Support Services). When there are updates.  Changes to Constitution Review Update (Head of Democratic and Legal Support Services): When there are updates.

## Overview and Scrutiny Committee and Audit and Governance Committee - Consolidated Work Programmes 2021/22

*(this is a working document and is subject to regular amendment) – last updated 19 May 2021*

<b>Overview and Scrutiny Committee</b>	<b>Audit and Governance</b>

### Looking Forward – 2021 onwards

<b>Overview and Scrutiny Committee</b>	<b>Due date</b>	<b>Audit and Governance</b>	<b>Due Date</b>
Environmental Sustainability Action Plan (Agreed to report twice a year)	8 June 2021 then 2 November 2021 June 2022 then November 2022	Quarterly Corporate Budget Monitor – Quarter 3 December 2020	30 March 2021 (executive) Due to the timetable of meetings it is not possible to produce the report and send it to an Audit & Governance Committee meeting prior to consideration by Executive. The report will be circulated to Members of the Committee when ready

**Overview and Scrutiny Committee and Audit and Governance Committee - Consolidated Work Programmes 2021/22**

*(this is a working document and is subject to regular amendment) – last updated 19 May 2021*

Overview and Scrutiny Committee	Due date	Audit and Governance	Due Date
			and views sort and reported to Executive.
Carbon Reduction report	2 November 2021		
Cultural Strategy - Update on Development of “Smart Targets”, Measurements and Monitoring Mechanisms	7 September 2021		
Planning Enforcement Plan – Update on new working practices	February 2022		

**Notes:**

**Overview and Scrutiny Committee and Audit and Governance Committee - Consolidated Work Programmes 2021/22**

*(this is a working document and is subject to regular amendment) – last updated 19 May 2021*

*Members will note the new format of the Consolidated Work Programme. It was felt that by combining both work programmes might provide Members with a better insight into the issues to be considered by both committees and respective timeframes and so aid the process of scrutiny. Additionally, Members should note that the Chairman and Vice Chairman of both Committees are now meeting quarterly with the Leader and Deputy Leader to consider both work programmes in the context of the Council's Forward Plan to facilitate better scrutiny and review where necessary.*

*Members are actively encouraged to review the Council's Forward Plan which details the decisions the Executive (and Council) will be taking over the next three months. The Centre for Governance and scrutiny has recommended that early involvement with the decision making process (and before decisions are taken) is good practice. Only decisions which are taken by the executive can be called in.*

[Latest Forward Plan](#)