

Committee Administrator: Democratic Services Officer (01609 767015)

Monday, 27 September 2021

Dear Councillor

**Notice of Meeting**

Meeting **Audit, Governance and Standards Committee**  
Date **Tuesday, 5 October 2021**  
Time **1.30 pm**  
Venue **Council Chamber, Civic Centre, Stone Cross, Rotary Way, Northallerton,  
DL6 2UU**

Yours sincerely

*J. Ives.*

Dr Justin Ives  
Chief Executive

**To:** Councillors  
N A Knapton (Chairman)  
P Atkin  
P Bardon  
D B Elders (Vice-Chairman)

Councillors  
Mrs B S Fortune  
K G Hardisty  
R W Hudson

Other Members of the Council for information

Press and public are welcome to attend meetings of the Audit, Governance and Standards Committee. Due to current social distancing restrictions, measures have been implemented which limit the number of attendees able to be physically present in the meeting at any one time. Temporary arrangements are in place for members of the press and public to register their attendance no later than 24 hours in advance of the meeting taking place. Spaces are allocated on a first come first served basis. If you arrive at the Civic Centre to attend the meeting and have not registered in advance a space cannot be guaranteed if there are no vacant seats available. Members of the press and public are also able to observe the meeting virtually via Teams. Please click on the link on the website or dial 020 3855 5195 followed by the Conference ID: 545 958 665# For further information please contact Democratic Services on telephone 01609 767015 or email [committeeservices@hambleton.gov.uk](mailto:committeeservices@hambleton.gov.uk)

## Agenda

### Page No

1. Minutes  
To confirm the minutes of the meeting held on 20 July 2021 (AGS.3 to AGS.7), previously circulated.
2. Apologies for Absence
3. Regulation of Investigatory Powers Act - Review of Activity 1 - 2  
Report of the Director of Law and Governance (Monitoring Officer)
4. Member Code of Conduct 3 - 28  
Report of the Director of Law and Governance (Monitoring Officer)  
**Relevant Ward(s): All Wards**
5. Annual Review of the Committee's Terms of Reference 29 - 34  
Report of the Interim Director of Finance (s151 Officer)
6. Annual Review of Risk Management 35 - 56  
Report of the Interim Director of Finance (s151 Officer)  
**Relevant Ward(s): All Wards**
7. Internal Audit First Progress Report 2021/22 57 - 72  
Report of the Interim Director of Finance (S151 Officer)  
**Relevant Ward(s): All Wards**
8. Counter Fraud Framework Update 73 - 90  
Report of the Interim Director of Finance (S151 Officer)  
**Relevant Ward(s): All Wards**
9. Matters of Urgency  
Any other business of which not less than 24 hours prior notice, preferably in writing, has been given to the Chief Executive and which the Chairman decides is urgent.

## Hambleton District Council

**Report To:** Audit, Governance and Standards Committee  
5 October 2021

**From:** Director of Law and Governance (Monitoring Officer)

**Subject:** Regulation of Investigatory Powers Act – Review of Activity

All Wards

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### 1.0 Purpose and Background

- 1.1 The Council, like many public authorities, is governed by the Regulation of Investigatory Powers Act 2000 (RIPA). This Act ensures that public authorities comply with their obligations under the Human Rights Act when undertaking investigations which may interfere with the rights of individuals. The Act introduces safeguards on activities such as surveillance undertaken by public bodies.
- 1.2 The Audit, Governance and Standards Committee has been given responsibility for RIPA matters. This involves the Committee in reviewing the Council's Policy Statement from time to time and receiving bi-annual reports on any activities which have been authorised under RIPA.

### 2.0 RIPA Activities

- 2.1 Although RIPA covers a number of activities undertaken by investigatory bodies (e.g., phone tapping by the Security Services and Police) its principle use in respect of Local Authorities relates to: -
- covert surveillance, and
  - covert human intelligence sources.
- 2.2 Covert surveillance covers the monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained. RIPA is most relevant to the Council's activities in effecting enforcement procedures such as the investigation and prosecution of offences. This would not normally include the initial investigation of contraventions such as planning enforcement or noise investigations but would usually involve the later stages where criminal activity was a possibility. Although this could technically include breaches of Planning Enforcement Notices, breaches of Environmental Health Notices, fraud, etc., the Council's use of the powers has been very limited in recent years. For example, the Council has not used authorisations under the Act in the last three years.
- 2.3 Since 1 November 2012 the Council has only been able to use RIPA for directed surveillance for potential criminal activity with a possible penalty of at least six months imprisonment. This means that the Council is unable to use the procedure for low-level offences such as littering or dog control. For serious offences the Council needs approval from a magistrate before it can use directed surveillance.
- 2.4 Another use of the Act is for the Police to authorise use of the Council's CCTV system for specific operations (general use of CCTV is not covered by the Act because this is not covert surveillance). The Police authorise themselves to use the Council's CCTV system for covert surveillance on approximately two occasions per year.

- 2.5 Covert human intelligence sources relate to the use of a third party to gather information. For example, this could be an informer or someone used to undertake test purchases. This is not an activity that the Council engages in. The Council also needs the approval of a magistrate to carry out this activity.
- 2.6 The only area in which the Council might very occasionally involve itself where RIPA might be relevant is covert surveillance. It is necessary for the Council therefore to follow the legislation and the requirements of Government Codes of Practice. Most of the requirements of the Code are dealt with at an Officer level. However, Members are expected to approve a Policy on RIPA and to have some involvement in monitoring how the Council implements RIPA requirements.

### **3.0 Monitoring of RIPA Activity**

- 3.1 Codes of Practice on RIPA recommend that regular reports are made to Members on RIPA activity. Consideration of such reports has been delegated to the Audit, Governance and Standards Committee. This report therefore constitutes one of those reports and is intended to cover the period 23 March to 5 October 2021. There were no authorisations during this period. It is recommended that the Committee note the position.

### **4.0 Recommendation**

- 5.1 It is recommended that it be noted that no RIPA authorisations were made by the Council during the period 23 March to 5 October 2021.

Gary Nelson  
Director of Law and Governance (Monitoring Officer)

**Background papers:** HDC RIPA Register of Authorisations  
**Author ref:** GN  
**Contact:** 01609 767012

## Hambleton District Council

**Report To:** Audit, Governance and Standards Committee

**Date:** 5 October 2021

**From:** Director of Law and Governance (Monitoring Officer)

**Subject:** **Member Code of Conduct**

**Portfolio Holder:** Governance  
Councillor I Sanderson

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

1.1 This report asks the Committee to consider the Local Government Association's Model Code of Member Conduct and to decide whether to recommend its adoption by the Council.

### **2.0 The Report**

- 2.1 Under the Localism Act 2011 the Council is required to have a code in place which deals with the expected conduct of its Members with reference to the Seven Principles of Public Life. The Council's current Code of Conduct satisfies that requirement and the Code is regularly reviewed (and, where appropriate, amended). The Council's current Code of Conduct is attached at Annex A.
- 2.2 The Local Government Association (a membership organisation for local authorities) has developed, in consultation, a Model Code of Conduct ("Model Code") which can be used as a template for councils. The Model Code is at Annex B.
- 2.3 The Local Government Association produced the Model Code in response to recommendations that it do so by the Committee on Standards in Public Life. The purpose of the Model Code, amongst other things, is to provide a consistent model which councils can choose to adopt, with or without amendments to suit local conditions. However, adoption of the Model Code is not mandatory.
- 2.4 Members may recall that the Council (on the recommendations of this Committee) adopted an amended Code of Member Conduct in 2020, which addressed the recommendations set out in the report produced by the Committee on Standards in Public Life. To that extent, the Council's current Code of Conduct complies with the recommendations of that Committee.
- 2.5 Members may decide that the Council's existing Code of Conduct incorporates all the same rules as the Model Code, although there are variations in the layout and wording. In addition, the Model Code describes how each rule supports high

standards of leadership and conduct. This level of detail is not included in the Council's current Code of Conduct and, whilst helpful, is not strictly necessary for the adoption or application of a code of conduct.

- 2.6 The introduction of a new or revised Code of Conduct will require officer and member input to enable implementation and appropriate training. Considering the limited differences between the two codes, the fact that the current Code is essentially compliant, and the forthcoming Local Government Reorganisation for North Yorkshire, the Committee may take the view that amending the Council's Code of Conduct would not be an effective use of officers' and members' time.
- 2.7 The Council's current Code of Conduct sets out in detail particular requirements in relation to the Council's Standing Orders, the scrutiny process and Members' register of interests. If the Committee is minded to recommend that the Model Code is adopted, it is proposed that the Model Code should be modified to incorporate these local requirements.

### **3.0 Link to Council Priorities**

- 3.1 The Council's Code of Member Conduct supports the Council's overall aims and priorities by promoting probity, integrity and honesty through effective governance.

### **4.0 Risk Assessment**

- 4.1 There are no risks associated with this report.

### **5.0 Financial Implications**

- 5.1 There are no financial implications associated with this report.

### **6.0 Legal Implications**

- 6.1 The Localism Act 2011 requires that the Council have a Code of Member Conduct.

### **7.0 Equalities and Diversity Issues**

- 7.1 Equality and Diversity Issues have been considered. There are no issues associated with this report.

### **8.0 Recommendation**

- 8.1 The Committee is asked to consider and to recommend to Council that either:
- a) Council adopts the Local Government Association's Model Code of Member Conduct with the amendments proposed in paragraph 2.7 of the report; or
  - b) Council agrees that the current Code of Member Conduct shall remain unchanged.

Gary Nelson  
Director of Law and Governance (Monitoring Officer)

**Background papers:** Guidance on Local Government Association's Model Code of Conduct, 8 July 2021

**Author ref:** LV

**Contacts:** Laura Venn, Legal Manager (Deputy Monitoring Officer)  
01609 767004

## Code of Conduct for the Members of Hambleton District Council

Hambleton District Council (“the Authority”) has adopted the following Code for the purposes of Section 27(2) of the Localism Act 2011 dealing with the conduct that is expected of Members of the Authority when they are acting in that capacity.

The Code is intended to be consistent with the following seven principles, and should be read in the light of those principles, namely that Authority Members will act with selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

1. You must treat others with respect.
2. You must not do anything which may cause the Authority to breach any equality enactment.
3. You are entitled to Freedom of Expression. However, you must not bully, harass or intimidate any person, or attempt to bully, harass or intimidate any person.

Bullying includes “offensive, intimidating, malicious or insulting words and behaviour and/or an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient”.

Harassment is defined in the Equality Act 2010 as “unwanted conduct related to a relevant protected characteristic”, which has the purpose or effect of violating an individual’s dignity or “creating an intimidating, hostile, degrading, humiliating or offensive environment” for that individual.

Bullying and Harassment may more commonly arise from persistent behaviour, rather than one-off instances, although depending on the behaviour complained of one-off instances may constitute a breach of this Code.

Examples of bullying include:

- spreading malicious rumours, or insulting someone by words or behaviour;
- ridiculing or demeaning someone, picking on them or setting them up to fail;
- exclusion or victimisation;
- unfair treatment;
- overbearing supervision or other misuse of power or position;
- making threats or comments about job security without foundation;
- unwelcome sexual advances – e.g. touching, standing too close, asking for sexual favours, making decisions on the basis of sexual advances being accepted or rejected and displaying offensive material;
- deliberately undermining a competent worker by overloading and constant criticism;
- preventing individuals progressing by intentionally blocking promotion or training opportunities

4. You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Authority.
5. You must not conduct yourself in a manner which could reasonably be regarded as bringing the Authority, or your office as a Member of the Authority, into disrepute.
6. You must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person any advantage or disadvantage and this includes discussing with other Members any matter in which you have a disclosable pecuniary interest.
7. If you are in receipt of any gift or hospitality which is attributable to your membership of the Authority and is of a value in excess of £25, or any offer of any such gift or hospitality, you must disclose this to the Monitoring Officer; and you must decline to accept any such gift or hospitality which could reasonably be perceived as creating an obligation upon the Authority, or upon yourself as a Member of the Authority.

8. You must not knowingly prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
9. You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:
  - 9.1 You have the consent of a person authorised to give it; or
  - 9.2 You are required by law to do so; or
  - 9.3 The disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
  - 9.4 The disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Authority.
10. Where, as a Member of the Authority, you have been involved in making any decision which is subsequently subject to scrutiny within the Authority, you must not take part in the scrutiny process. In this paragraph, "scrutiny" means the formal examination by the Authority, a Committee of the Authority, or a group of people including Members of the Authority, of a policy or decision previously approved or taken by or on behalf of the Authority, in order to reach a view on its rectitude, efficacy, performance or value for money. For the purposes of this paragraph, you do not take part in a scrutiny process if you simply offer evidence or opinion to the scrutiny body, and do not participate in its decision.
- 11.1 Subject to paragraph 12, you must register in the Authority's Register of Members' Interests information regarding your personal interests. In this Code of Conduct "your personal interests" means any disclosable pecuniary interest as defined by statutory regulations in force from time to time.
- 11.2 You must register information regarding your personal interests (and those of your spouse or civil partner or persons living with you as if a spouse or civil partner) by giving written notice on the relevant form to the Monitoring Officer before the end of 28 days beginning with the day you become a Member, or within 28 days following any changes to your personal interests.
12. Where you consider that disclosure of the details of any of your disclosable pecuniary interests could lead to you, or a person connected with you, being subject to violence or intimidation, you may so inform the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the Register to the effect that you have a disclosable pecuniary interest, details of which are withheld under Section 32 of the Localism Act 2011.
13. You must comply with any Standing Order or Procedure Rules adopted by the Authority which requires Members to leave the room during any meeting at which a matter in which they have a disclosable pecuniary interest is being discussed.
14. Where a complaint under this Code has been made against you as a Member you shall:
  - 14.1 co-operate with the Monitoring Officer during the assessment of the complaint;
  - 14.2 co-operate with and attend any meeting of the Standards Hearings Panel at which the complaint is considered.

REGISTRATION OF FINANCIAL AND  
PERSONAL INTERESTS

LOCALISM ACT 2011  
LOCAL CODE OF MEMBER CONDUCT

**INTRODUCTION**

Under the Localism Act 2011 you are required to register certain interests with the District Council's Monitoring Officer. The interests include those of yourself, your spouse or civil partner (or persons living with you as if a spouse or civil partner). The register is available to the public.

The registerable interests are set out in the legislation. These guidance notes aim to assist you in determining what interests you have to register to comply with the legislation.

**THE REGISTERABLE INTERESTS**

The interests which are registerable are specified in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, to which Members are referred when completing this Register of Interests. Set out below is an explanation of the nature of those interests.

Name of Councillor: *(In block capitals please)*

I hereby notify you of my interests (and those of my spouse, civil partner or persons living with me as if a spouse or civil partner) as required by the Code of Member Conduct as follows:-

**1. Employment or Business**

A short description of any job or business carried on by you including any office, trade, profession or vocation carried on for profit or gain including the name of your employer. You are required to declare any employment or business even if it is not within the Council's area. You are not required to declare what income you receive.

**2. Sponsorship in connection with duties as a Member:**

The name of any person or body (other than the relevant authority) that has helped you with expenses associated with your election or your duties as a Member. Sponsorship includes another person paying expenses which you would otherwise have to pay, and includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. Any payments and statutory allowances received from a local authority do not need to be declared.

### **3. Contracts with the Council**

Brief descriptions of the nature and length of any contracts for goods, services or works which you have with the Council, either directly or as a partner in a firm or as a director of a company or if the contract is with a body which you have declared under the heading "Securities". This includes contracts with the Council even if the works, goods or services are provided to third parties, e.g. a voluntary organisation. It also includes contracts where goods, services or works are provided by the Council to your firm or other body. Only contracts which have not been fully discharged need to be notified. Once a contract ends it can be removed.

### **4. Land in the District:**

Any land, or buildings in the area of the Council in which you have a beneficial interest (freehold or leasehold or a short tenancy), either of your own, or jointly with one or more other people. You have a beneficial interest in land if, for example, you own, you rent, you are entitled to the proceeds of, or you may, under a trust, become entitled to the proceeds of that land. This includes your home address if you own, lease or rent it. Excluded is land where you are a trustee for other people or where you are an executor or administrator of the estate of someone who has died and have no interest in the estate.

If you own land outside the area of the Council you do not have to declare it but if you receive an income from the land then in the 'Employment or Business section' the property letting business should be declared, but it is not necessary to state where the property is.

"Land" for this purpose includes houses, buildings, and the interest of a mortgagee. It excludes drainage rights, rights of way, and other rights which do not entitle you (whether alone or jointly with others) to occupy the land or to draw income from it.

The requirement to register the interest of a mortgagee does not mean that if you have a mortgage on your house you have to declare it. 'Mortgagee' is the person who lends money to another on the security of a mortgage. If you are a mortgagee, you need to give the address or description of the relevant property, not the fact of the mortgage, or the name of the borrower.

The information required is the address of the land or (where, for example, it is land without any buildings on it) a brief description good enough to identify the location. If necessary please attach a map showing the location of the land or list the Ordnance Survey field numbers which apply.

## 5. Licences

Any licences that you have either on your own or jointly with others, or any permission that you have to occupy land (for example, as an allotment or for fishing or shooting) where the licence, or permission, will last for a month or longer.

The information required is the address of the land or (where, for example, it is land without any buildings on it) a brief description good enough to identify the location. If necessary please attach a map showing the location of the land or list the Ordnance Survey field numbers which apply.

## 6. Corporate Tenancies

The address of any land or buildings rented from the Council by you or a body in which you have a beneficial interest.

The information required is the address of the land or where, for example, it is land without any buildings on it, a brief description good enough to identify the location. If necessary please attach a map showing the location of the land or list the Ordnance Survey field numbers which apply.

## 7. Securities

Securities means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (as amended) and other securities of any description other than money deposited with a building society.

The name of any person or other body who has a place of business or land in the Council's area and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower), eg if the company has 100 £1 shares and you have one share you need to declare the interest. The value of shares is the face value (the value recorded on the share certificate) not the current market value.

For example, you bought 10,000 £1.50 shares (face value) in 1999. The market value at that time was £3.00 each, so the total paid was £30,000, but the shares are now worth £45,000. The nominal value of the shares would be £15,000 (10,000 x £1.50). Therefore, you would not be obliged to enter the shares in the register of interests, even though the current market value of the shares is £45,000. It is not necessary to declare the size or nature of the holding, simply the name of the company or other body.

You have a beneficial interest in a type of share if, for example, you own, you are entitled to the proceeds of, or you may, through a trust or will, become entitled to the proceeds of, that type of share. You do not need to register any such interest that you have as trustee.

If you know the companies in which your PEP, ISA or pension fund has invested and:

- those companies have a place of business or land in the Council's area; and
- your beneficial interest in the investment is greater than the levels indicated above,

then you need to register that interest. You are only required to register interests which are known to you. You are not required to investigate the investment portfolio of any PEP, ISA or pension scheme to which you may belong.

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|---------|--|
| Signed: |  |
| Name:   |  |
| Dated:  |  |

**To:** Mr G Nelson - Monitoring Officer  
Hambleton District Council  
Civic Centre  
Stone Cross  
NORTHALLERTON  
North Yorkshire  
DL6 2UU

February 2020

## **Privacy Statement**

The information you provide on this form will be processed in accordance with the obligations contained in the Localism Act 2011.

## **Sensitive Information**

If you consider that the availability for inspection by the public of information relating to any of your interests creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation, you may apply to the Monitoring Officer for permission not to include that sensitive information on the Register of Members' Interests. This would apply if you are employed in an area of sensitive employment, such as certain types of scientific research. If the Monitoring Officer agrees that the information is sensitive information there is no need to include the sensitive information on the register of interests, although the existence of an interest, but not the details of the sensitive information, must still be declared at meetings if business relating to or affecting the interest is being considered at the meeting. If you think that some of your information is sensitive please write to the Monitoring Officer.

## **Removal of Registrations**

When an interest no longer exists it can be removed from the Register. You should contact Louise Hancock, Democratic Services Officer, Tel: 01609 767015, email: [louise.hancock@hambleton.gov.uk](mailto:louise.hancock@hambleton.gov.uk)

When you cease to be a Councillor, all of the registration can be removed. You should contact Louise Hancock, Democratic Services Officer, Tel: 01609 767015, email: [louise.hancock@hambleton.gov.uk](mailto:louise.hancock@hambleton.gov.uk))



## **Local Government Association**

### **Model Councillor Code of Conduct 2020**

#### **Joint statement**

The role of councillor across all tiers of local government is a vital part of our country's system of democracy. It is important that as councillors we can be held accountable and all adopt the behaviors and responsibilities associated with the role. Our conduct as an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to. We also want individuals from a range of backgrounds and circumstances to be putting themselves forward to become councillors.

As councillors, we represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent our local area, taking decisions fairly, openly, and transparently. We have both an individual and collective responsibility to meet these expectations by maintaining high standards and demonstrating good conduct, and by challenging behaviour which falls below expectations.

Importantly, we should be able to undertake our role as a councillor without being intimidated, abused, bullied, or threatened by anyone, including the general public.

This Code has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.

## **Introduction**

The Local Government Association (LGA) has developed this Model Councillor Code of Conduct, in association with key partners and after extensive consultation with the sector, as part of its work on supporting all tiers of local government to continue to aspire to high standards of leadership and performance. It is a template for councils to adopt in whole and/or with local amendments.

All councils are required to have a local Councillor Code of Conduct.

The LGA will undertake an annual review of this Code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code and the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

## **Definitions**

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of a local authority or a directly elected mayor. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

For the purposes of this Code of Conduct, “local authority” includes county councils, district councils, London borough councils, parish councils, town councils, fire and rescue authorities, police authorities, joint authorities, economic prosperity boards, combined authorities and National Park authorities.

## **Purpose of the Code of Conduct**

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

## **General principles of councillor conduct**

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

## **Application of the Code of Conduct**

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- you misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring

Officer.

## **Standards of councillor conduct**

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

### **General Conduct**

#### **1. Respect**

##### **As a councillor:**

**1.1 I treat other councillors and members of the public with respect.**

**1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.**

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor-officer protocol.

#### **2. Bullying, harassment and discrimination**

##### **As a councillor:**

**2.1 I do not bully any person.**

**2.2 I do not harass any person.**

**2.3 I promote equalities and do not discriminate unlawfully against any person.**

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and

contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

### **3. Impartiality of officers of the council**

**As a councillor:**

#### **3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.**

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

### **4. Confidentiality and access to information**

**As a councillor:**

#### **4.1 I do not disclose information:**

- a. given to me in confidence by anyone**
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**
  - i. I have received the consent of a person authorised to give it;**
  - ii. I am required by law to do so;**
  - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
  - iv. the disclosure is:**
    - 1. reasonable and in the public interest; and**
    - 2. made in good faith and in compliance with the reasonable requirements of the local authority; and**
    - 3. I have consulted the Monitoring Officer prior to its release.**

#### **4.2 I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.**

#### **4.3 I do not prevent anyone from getting information that they are entitled to by law.**

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

## **5. Disrepute**

### **As a councillor:**

#### **5.1 I do not bring my role or local authority into disrepute.**

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or your local authority and may lower the public's confidence in you or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

## **6. Use of position**

### **As a councillor:**

#### **6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.**

Your position as a member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

## **7. Use of local authority resources and facilities**

### **As a councillor:**

#### **7.1 I do not misuse council resources.**

#### **7.2 I will, when using the resources of the local authority or authorising their use by others:**

- a. act in accordance with the local authority's requirements; and**
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport

- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.

## **8. Complying with the Code of Conduct**

### **As a Councillor:**

**8.1 I undertake Code of Conduct training provided by my local authority.**

**8.2 I cooperate with any Code of Conduct investigation and/or determination.**

**8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.**

**8.4 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.**

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

### **Protecting your reputation and the reputation of the local authority**

## **9. Interests**

### **As a councillor:**

**9.1 I register and disclose my interests.**

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority .

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011.

**Appendix B sets** out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

## **10. Gifts and hospitality**

### **As a councillor:**

- 10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.**
  
- 10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**
  
- 10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.**

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

## **Appendices**

### **Appendix A – The Seven Principles of Public Life**

The principles are:

#### **Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

#### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **Honesty**

Holders of public office should be truthful.

#### **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## Appendix B Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

**"Disclosable Pecuniary Interest"** means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

**"Partner"** means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

### Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. [Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it ]

### Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

## Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
  - a. your own financial interest or well-being;
  - b. a financial interest or well-being of a relative or close associate; or
  - c. a financial interest or wellbeing of a body included under Other Registerable Interests as set out in **Table 2**

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well-being:
  - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
  - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. [Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it]

**Table 1: Disclosable Pecuniary Interests**

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

| <b>Subject</b>   | <b>Description</b>  |
|--|---|
| <b>Employment, office, trade, profession or vocation</b> | Any employment, office, trade, profession or vocation carried on for profit or gain.  |
| <b>Sponsorship</b>                                       | Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.<br>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. |
| <b>Contracts</b>   | Any contract made between the councillor or his/her spouse or civil partner or the person with whom the   |

|                            |   |
|----------------------------|---|
|                            | <p>councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>   |
| <b>Land and Property</b>   | <p>Any beneficial interest in land which is within the area of the council.</p> <p>‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.</p>  |
| <b>Licenses</b>            | <p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>   |
| <b>Corporate tenancies</b> | <p>Any tenancy where (to the councillor’s knowledge)—</p> <p>(a) the landlord is the council; and</p> <p>(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>   |
| <b>Securities</b>          | <p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were</p> |

|  |  |
|--|--|
|  | spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class. |
|--|--|

\* 'director' includes a member of the committee of management of an industrial and provident society.

\* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

**Table 2: Other Registrable Interests**

You must register as an Other Registrable Interest :

- a) any unpaid directorships
  - b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
  - c) any body
    - (i) exercising functions of a public nature
    - (ii) directed to charitable purposes or
    - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
- of which you are a member or in a position of general control or management

## Appendix C – the Committee on Standards in Public Life

The LGA has undertaken this review whilst the Government continues to consider the recommendations made by the Committee on Standards in Public Life in their report on [Local Government Ethical Standards](#). If the Government chooses to implement any of the recommendations, this could require a change to this Code.

The recommendations cover:

- Recommendations for changes to the Localism Act 2011 to clarify in law when the Code of Conduct applies
- The introduction of sanctions
- An appeals process through the Local Government Ombudsman
- Changes to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Updates to the Local Government Transparency Code
- Changes to the role and responsibilities of the Independent Person
- That the criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished

The Local Government Ethical Standards report also includes Best Practice recommendations. These are:

**Best practice 1:** Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

**Best practice 2:** Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.

**Best practice 3:** Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

**Best practice 4:** An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

**Best practice 5:** Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

**Best practice 6:** Councils should publish a clear and straightforward public interest test against which allegations are filtered.

**Best practice 7:** Local authorities should have access to at least two Independent Persons.

**Best practice 8:** An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to

review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

**Best practice 9:** Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

**Best practice 10:** A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

**Best practice 11:** Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.

**Best practice 12:** Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

**Best practice 13:** A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

**Best practice 14:** Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.

**Best practice 15:** Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

***The LGA has committed to reviewing the Code on an annual basis to ensure it is still fit for purpose.***

## Hambleton District Council

**Report To:** Audit, Governance and Standards Committee  
5 October 2021

**From:** Interim Director of Finance (s151 Officer)

**Subject:** **Annual Review of Committee Terms of Reference**

All Wards

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### **1.0 Purpose and Background**

- 1.1 The purpose of this report is to present to Members the results of a review of this Committee's terms of reference.
- 1.2 The current terms of reference are reproduced at Annex A. These are based upon the model terms of reference recommended by the Chartered Institute of Public Finance (CIPFA) in its publication entitled Audit Committees – Practical Guidance for Local Authorities. They also include terms of reference relating to Standards.
- 1.3 It is considered good practice for the Committee's terms of reference to be reviewed at least annually.
- 1.4 The review has established that the existing terms of reference reflect the Committee's work and are still relevant.

### **2.0 Risk Analysis**

- 2.1 There are no major risks associated with the recommendation in this report.

### **3.0 Financial Implications**

- 3.1 There are no financial implications associated with this report.

### **4.0 Equalities and Diversity Issues**

- 4.1 Equality and Diversity Issues have been considered. There are no issues associated with this report.

### **5.0 Recommendations**

- 5.1 It is recommended to Council that:-
  - 1) the annual review of the Audit, Governance and Standards Committee's terms of reference is noted; and
  - 2) the terms of reference for the Audit, Governance and Standards Committee as set out in Annex A be approved.

Noel O'Neill  
Interim Director of Finance (S151 Officer)

**Background papers:** None

**Author ref:** NO'N

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AUDIT, GOVERNANCE AND STANDARDS COMMITTEE AND  
THE STANDARDS HEARINGS PANEL

Terms of Reference

Matters which may be determined by the Committee:

Audit & Governance

- Reviewing and approval of the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- All aspects of internal audit including:-
  - consideration of the Veritau annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements;
  - consideration of summaries of specific internal audit reports as requested;
  - approval and monitoring of the annual Audit Plan;
  - consideration of reports dealing with the management and performance of the providers of internal audit services;
  - consideration of reports from Veritau on agreed recommendations not implemented within a reasonable timescale;
  - the commissioning of work from Veritau;
- all aspects of external audit, including:-
  - consideration of the external auditor's annual letter, relevant reports and the report to those charged with governance;
  - consideration of specific reports as agreed with the external auditor;
  - commenting on the scope and depth of external audit work and to ensure that it gives value for money;
  - shall be consulted upon and make recommendations concerning the appointment of the Council's external auditors;
  - the commissioning of work from external audit;

- consideration of the external auditor's report to those charged with governance on issues arising from the audit of accounts;
- Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
- The review of any issue referred to it by the Chief Executive or the Deputy Chief Executive, or any Council body.
- Consider the effectiveness of the authority's risk management arrangements and the control environment. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships with other organisations.
- Monitor the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the authority's exposure to the risks of fraud and corruption.
- All aspects of counter fraud and anti-corruption, including:-
  - monitoring of Council policies on "Raising Concerns at Work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
  - Overseeing the production of the Authority's Annual Governance Statement to recommend its adoption.
  - Consideration of the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- All matters related to the Regulation of Investigatory Powers Act 2000.

Standards:

- To promote and maintain high standards of conduct by Members of the Council.
- To assist Members and co-opted Members of the Council to observe the Council's Code of Conduct.
- To monitor the operation of the Council's Member Code of Conduct and Planning Code.
- To advise, train or arrange training for Members and co-opted Members of the Council on matters relating to the Council's Member Code of Conduct and Planning Code.

- To formulate advice to Members and Officers on declarations of gifts and hospitality. To monitor and keep under review the arrangements for recording interests, gifts and hospitality.
- To review arrangements for designating politically restricted posts.
- To review the operation of the Council's complaints procedures.
- To carry out all of the Council's functions under the Local Government Act 2000 in connection with Parish and Town Councils.

Matters for determination by Cabinet:

Audit and Governance:

- Report to Cabinet as it deems necessary on matters of concern.

Matters for determination by Council:

Audit and Governance:

- All aspects of Corporate Governance, including:-
  - reviewing and making recommendations on changes to the Code of Corporate Governance;
  - monitoring compliance with the Code of Corporate Governance;
  - maintaining an overview of the Council's Constitution including those in respect of procurement procedure rules and financial regulations.
- The review and scrutiny of recommendations made by Cabinet to Council in respect of the Council's Annual Treasury Management Policy including the Annual Investment Strategy.

Standards:

- To advise the Council on the adoption or revision of a Code of Member Conduct and Planning Code.
- To formulate and recommend Codes of Conduct for Officers and keep them under review.

To recommend protocols on Member/employee relations and to review its operation.

## Standards Hearings Panel

### Matters which may be determined by the Panel:

- Investigation and determination in respect of allegations under Codes of Member Conduct for the District Council and (where requested) Parish/Town Councils.

### Matters which may be determined by Cabinet:

To make recommendations to Cabinet in respect of any matters relating to Council practice and procedures arising out of Panel determinations and which cannot appropriately be dealt with by Officers.

## Hambleton District Council

**Report To:** Audit, Governance and Standards Committee

**Date:** 5 October 2021

**From:** Interim Director of Finance (s151 Officer)

**Subject:** **Annual Review of Risk Management**

**Portfolio Holder:** Governance  
Councillor Mrs I Sanderson

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

- 1.1 The purpose of this report is to provide the Committee with an annual review of the Council's risk management process.
- 1.2 The Audit, Governance and Standards Committee has responsibility for the Risk Management Strategy. However, they have delegated to Scrutiny Committee the oversight of the risk register on a quarterly basis. Significant changes to the risk management process are reported to both Committees.
- 1.3 The Strategic Risk Management Group established in March 2017 continues to meet regularly to drive all aspects of risk management compliance for the authority, supporting the monitoring roles performed by Management Team, Scrutiny Committee and Audit, Governance and Standards Committee. The group act as risk 'champions' ensuring that risk management has an appropriate profile and sufficient focus on the corporate agenda.
- 1.4 Risk Management is embedded across the Council with the three key risk types, Corporate Risks, Key Corporate Project Risks and Service Risks with a Net Risk Threshold of 12 or Above, being examined on a quarterly basis by the Strategic Risk Management Group. These risks are also reported to Management Team for further examination and then in turn to Scrutiny Committee.
- 1.5 During Quarter 3 2020-21, Service Managers took part in task and finish groups in which it was agreed that risk would become a regular feature at the Service Manager's Forum. Risk has consequently been discussed at the Service Manager's Forums since December 2020, keeping risk management high on the agenda with the aim to achieving a more consistent approach across the Council.
- 1.6 The current risk register displaying active Corporate Risks at Q1 is attached at Annex A, Key Corporate Project Risks are attached at Annex B and Service Risks with a Net Risk Threshold of 12 or Above are attached at Annex C. The Corporate Risk register includes the management of interruption to the business of the Council due to the Covid-19 pandemic and the action plans in place to allow the Council to manage this risk. In addition, there are currently four corporate risks surrounding Local Government Re-organisation, which include the retention of staff and failure to deliver projects.

1.7 During Quarter 2 2021-22, members of the Strategic Risk Management Group will meet to discuss the approach that will be taken to risk management with regard to the forthcoming local government re-organisation. Particular attention will be given to whether all risks are still relevant and if the number of risks can be reduced.

## **2.0 Risk Assessment**

2.1 There are no risks associated with consideration of this report. However, if this report was not considered then the Committee would not be fulfilling its terms of reference and would not have the opportunity of commenting on the risk management process of the Council.

## **3.0 Recommendation**

3.1 It is recommended that the Committee note the Corporate Risks, the Key Corporate Project Risks and the Service Risks with a net risk threshold of 12 or above attached at Annex A, B and C respectively.

Noel O'Neill  
Interim Director of Finance (s151 officer)

**Background papers:** Hambleton District Council Risk Management Framework 2019

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| Risk ID | Risk Name   | Service Director / Responsible Officer | Risk Manager         | GROSS / INHERENT RISK |       |            | ACTION PLAN   | ACTION PLAN timeline / completion date | NET / RESIDUAL RISK |       |            |
|---------|---|--|----------------------|-----------------------|-------|------------|---|--|---------------------|-------|------------|
|         |   |  |                      | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| 157     | <b>Health &amp; Safety Lone Working Practices</b> are not as effective as they should be leading to potential physical risk and/or sub-standard service, performance, financial and reputational losses and legal challenge.  | Paul Staines                           | All Service Managers | 2x5                   | 10    | Med        | <ul style="list-style-type: none"> <li>HDC implements suitable arrangements where all services work to the Council's Health and Safety Policy and lone working procedures.</li> <li>Service action plans in place including: <ul style="list-style-type: none"> <li>Specific service risk assessments &amp; practices in place</li> <li>All relevant staff receive Health &amp; Safety training</li> <li>A system of monitoring and review is in place where the corporate Health &amp; Safety Group monitor risk assessment management and associated Key Performance Indicator's. Audits of lone working practices and violence and aggression in the workplace are being carried out by North Yorkshire County Council's Health and Safety Adviser in Q3 and Q4 (in abeyance due to Covid-19. Will continue once restrictions ease).</li> </ul> </li> <li>The Civic Centre recovery plan, risk assessment and supporting employees plan reflect the requirements of Covid-19. This has been mirrored for other workplaces such as the depot. Lone working is supported by Service Managers with their staff who are working from home. Service Managers are aware of the importance of knowing whether staff are at work or at home and are taking measures to ensure their staff's health and safety. Specific Covid-19 management team meetings are in place to ensure that plans are up to date.</li> </ul> | On-going                               | 1x3                 | 3     | Low        |
| 254     | <b>Health &amp; Safety Workplace Risk Assessment</b> -Failure to identify, implement and review the annual Workplace Health & Safety Risk Assessment programme leads to potential physical risk and/or sub-standard service, performance, financial, environmental and reputational losses and legal challenge. | Paul Staines                           | All Service Managers | 5x5                   | 25    | High       | Each service to implement their service specific action plan to undertake service risk assessments and workplace inspections annually. Services to work to the HDC Health & Safety Policy and arrangements for risk assessments. Professional support is bought in from NYCC Health and Safety Team under a three yearly service level agreement. There is a corporate performance indicator to complete 100% of risk assessments in key areas. This is measured by the Health and Safety Officer and reported to the corporate Health and Safety Group quarterly.  | Ongoing                                | 1x5                 | 5     | Low        |

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|         |  |  |                                      | Likelihood : Impact   | Score | Risk Level |  |  | Likelihood : Impact | Score | Risk Level |
| 407     | Failure to develop and maintain an effective <b>Business Continuity Plan</b> leads to lack of resilience or inability to access HDC services resulting in loss of service or failure of service delivery.  | Paul Staines                           | All Service Managers                 | 1x5                   | 5     | Med        | Business continuity policy, procedure and plans are in place across the organisation and all service managers are engaged. ICT liaise with services to provide resilience in line with the business needs. BC plans are reviewed annually as part of service planning. HDC buy in specialist advice from NYCC Resilience and Emergencies Team.<br>Covid 19 is still in the response phase, though measures are being taken to move into recovery, this is a fluid situation and will change according to government guidance. A full review of the authority's Business Continuity arrangements, especially as they relate to pandemics, will be scheduled once recovery has been settled. This will be led by Paul Staines with advice from NYCC Resilience and Emergencies Team. The timescale is dependent upon a number of factors including the possibility of further waves.<br>Consideration will need to be given to how service managers would respond to a situation in which IT systems are unavailable and the majority of staff are working from home. This will be addressed in Q2 and Q3 2021/22. | Review Business Continuity Plans Q4    | 1x3                 | 3     | Low        |
| 512     | Failure to follow <b>General Data Protection Regulation Requirements</b> and failure to follow the Council's Information Policy leads to a violation of Data Protection Act which could lead to a fine by the Information Commissioner's Office and creates a risk of legal challenge and reputational damage where regulations are not complied with. | Gary Nelson                            | Laura Venn & All Services            | 2x3                   | 6     | Med        | Retention and destruction of documentation in accordance with the Information Asset Register. Annual review of service area records management in line with Document Retention Policy and all staff to receive Data Protection training/ General Data Protection Regulation updates.   | Ongoing                                | 2x2                 | 4     | Low        |
| 522     | Failure of the <b>Council's website</b> or failure to maintain current/correct information removes the principal communication and compliance tool, blocks transparency and denies residents' payment facilities and emergency information resource, leading to reputational, legal and financial loss.  | Mick Jewitt                            | Anna Wilkes and all service managers | 3x3                   | 9     | Med        | Website hosted and supported offsite to minimise risk and current information maintained and reviewed on a regular basis.<br>Work has been undertaken on updating the web platform to ensure compliance with web accessibility legislation introduced September 2020. There were delays introduced due to the Covid-19 response but the new web platform went live in December 2020.<br>Individual action plans within services established to reduce gross risk - further progress (as planned) needed with these to decrease the likelihood score further with an expectation that this will lead to a net risk of 1x3 during Q4.  | Ongoing                                | 2x3                 | 6     | Med        |

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|         |   |  |                            | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| 602     | Failure to comply with the <b>Public Sector Equality Duty</b> will put the organisation at risk of legal challenge and reputational damage  | Gary Nelson                            | Lynne Halls & All Services | 3x4                   | 12    | High       | Service Managers with advice and guidance from Human Resources will ensure that the General and Specific requirements of the Public Sector Equality Duty are met. All Managers and Staff who follow the requirements of the Equality and Diversity Policy and Procedure and take part in any relevant training as listed in Appendix B of the Learning and Development Policy.  | Ongoing                                      | 1x3                 | 3     | Low        |
| 709     | Failure to set a balanced <b>Annual Budget</b> which is reflected in the 4 year Financial Strategy.   | Louise Branford-White                  | Saskia Calton              | 1x4                   | 4     | Low        | Complete and challenge the Budget setting process, generate income, create efficiency savings, consider reduction to the current budget, monitor and manage the position. Report to Cabinet and Council on an annual basis prior to the new financial year and monitor on a quarterly basis.<br>The financial impacts of COVID 19 are continually monitored and an updated position is provided on a quarterly basis to Cabinet in the Revenue Monitoring Report 2021/22. The financial strategy was updated and approved by Council in February 2021 for the 2021/22 financial year taking into account the estimated reduction in funding from Government and the necessary use of reserves to support the impact of covid-19; the Financial Strategy remains affordable sustainable and prudent. | Annually - February and Quarterly monitoring | 1x3                 | 3     | Low        |
| 798     | <b>Staff attendance</b> - Failure to effectively manage staff attendance at work leads to potential physical risk, reduced staffing levels and/or sub-standard service with regards to possible financial, environmental and reputational losses and legal challenge. | Gary Nelson                            | Lynne Halls & All Services | 2x3                   | 6     | Med        | Service Managers with advice and guidance from Human Resources will manage the attendance of staff so contractual requirements are met. This will involve invoking policies such as Sickness Absence Management, Leave, Flexi Time, Capability and Recruitment and Selection.   | Ongoing                                      | 1x3                 | 3     | Low        |

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| 800     | <b>Training and Development</b> - Failure to plan, resource and implement and ensure attendance at mandatory corporate training and development (in line with Appendix B of the Learning and Development Policy and Procedure) for employees leads to potential physical risk and/or sub-standard service with regards to possible financial, environmental and reputational losses and legal challenge | Gary Nelson                            | Lynne Halls & All Services | 1x3                   | 3     | Low        | Human Resources will liaise with Service Managers to ensure that any mandatory training is scheduled onto the Learning and Development Calendar. Human Resources will also work with Service Managers to ensure staff attend corporate mandatory learning and development activities. Human Resources will also work with Service Managers to resolve issues of non-attendance of departmental mandatory learning and development.  | Ongoing                                | 1x3                 | 3     | Low        |
| 823     | Failure to take action on <b>climate change</b> leads to adverse impacts on the local and global environment and damages the council's reputation.  | Paul Staines                           | All Service Managers       | 3x5                   | 15    | High       | A schedule has been drawn up documenting all services' carbon saving measures and plans to reduce carbon in the future. Working with other authorities regionally and sub regionally on positive actions, also supporting communities to take positive actions. Internal working group has been established and is baselining energy usage. A strategy and policy was approved by Council in April 2021.<br>A further report will go to Management Team in September 2021.  | Continuously monitored and reviewed    | 2x4                 | 8     | Med        |
| 824     | <b>Cyber Security</b> - Cyber-attack leads to loss of key ICT infrastructure resulting in reduced ability to provide ICT Services, occurring financial loss and reputational damage   | Louise Branford-White                  | Jenny Pan                  | 3x5                   | 15    | High       | <ul style="list-style-type: none"> <li>Compulsory annual Cyber Security training for all users</li> <li>Procedure to verify each user and issue minimum required access rights</li> <li>Manage privileged access</li> <li>Annual IT Health Check and remedial work</li> <li>PSN (Public Services Network) compliant</li> <li>Strong password policies are in place</li> <li>Regularly test Disaster Recovery and Business Continuity Plan</li> <li>Cyber Security Incident Management Plan in place</li> <li>Annual review of the Information Security Policy</li> <li>Participate in WARP (Warning, Advice and Reporting Point)</li> <li>Yorkshire group to share knowledge and information with other Councils</li> <li>Cyber Liability Insurance is in place.</li> </ul> | Ongoing                                | 2x5                 | 10    | Med        |
| 833     | <b>Local Government Re-organisation</b>   | Justin Ives                            | All Directors              | 3x5                   | 15    | High       | Whilst the decision to re-organise local government in North Yorkshire is beyond the Councils control, there are steps that can and will be taken to ensure that non statutory services provided for the residents and businesses of Hambleton are protected.   | Jan-21                                 | 3x3                 | 9     | Med        |

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|         |   |  |                      | Likelihood : Impact   | Score | Risk Level |  |   | Likelihood : Impact | Score | Risk Level |
| 834     | <b>Staff Capacity</b> – Failure to provide sufficient staff of a suitable competence to deliver services and the Council Plan leads to difficulties in implementation of the corporate agenda and/or sub-standard service, performance, financial, environmental and reputational losses and legal challenge. | Steve Lister                           | All Service Managers | 3x6                   | 18    | High       | <ul style="list-style-type: none"> <li>Directors/Service Managers to regularly review their service requirements and available resources, with <b>urgent discussions needed between Service Managers and Directors where residual risks are 12 or above.</b></li> <li>Corporate capacity of the organisation to deliver the Council Plan projects and services is reviewed frequently with consideration being given to capacity by Service Managers and Directors, Programme Management Board and Management Team. This takes account of Local Government Re-Organisation, Covid-19 and other strategic pressure.</li> <li>Regular management consideration of the various performance monitoring and review mechanisms to ensure delivery is on target</li> <li>Continual review in light of COVID-19 as a result of the regular Government announcements for increased Local Government support. In the longer term this is connected with Disaster Recovery and Business Continuity planning and of clear importance with regards the health and well being of all staff.</li> <li>There is a moratorium on recruitment with exceptions being considered by Management Team.</li> <li>Alternative options / temporary proposals to be considered by MT / Directors.</li> </ul> | Ongoing<br><br>Ongoing<br><br>Quarterly review<br><br>Ongoing<br><br>Ongoing<br><br>Ongoing | 2x3                 | 6     | Med        |

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|         |   |  |              | Likelihood : Impact   | Score | Risk Level |  |  | Likelihood : Impact | Score | Risk Level |
| 835     | <b>Business interruption due to coronavirus</b> | Paul Staines                           | Paul Staines | 3x5                   | 15    | High       | <ul style="list-style-type: none"> <li>•Central government plans in place- monitor daily</li> <li>•North Yorkshire Local resilience Forum (NYLRF) procedures. Strategic Co-ordination Group (SCG) and Tactical Co-ordination Group (TCG) have now stood down again due to the easing of the situation, meetings are to be Director of Public Health led as of May 2021.</li> <li>•Service Managers to review business continuity plans and plan for 30% absence in conjunction with Brexit and winter flu contingencies.</li> <li>•All office based staff have the capacity for home and mobile working.</li> <li>•Regular staff briefings carried out through newsletters and briefings to Service Manager Forum.</li> <li>•On site teams are provided with cleansing gels, wipes etc</li> <li>•Service Managers to keep up to date with guidance via GOV.UK and England.nhs.co.uk</li> <li>•Procedures are in place to manage a return to work, corporate risk assessment drawn up, plans in place for vulnerable staff and their relatives, working from home procedures and risk assessments completed. Outbreak management plans in place for Civic Centre.</li> <li>•HDC has its own recovery plan, that is reviewed monthly and is fed into the county wide recovery strategy where it is reviewed monthly.</li> <li>•Lateral Flow Device testing is in place for all staff at Council premises and as at April 2021 is available to anyone in the country.</li> <li>•There are staff support plans in place and a new health and well-being service has been launched. Staff are actively encouraged to get the vaccine and are supported to take time off work to facilitate this.</li> <li>•Q2 2021-22 new government advice to ease restrictions has led to a need to review all Return to Work Plans and subsequent measures to ensure business continuity, new risk assessments and a new recovery plan are being drawn up for approval by management team in July 2021.</li> </ul> | Apr-21                                 | 2x5                 | 10    | Med        |

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| 841     | <b>Local Government Re-organisation</b> - Failure to deliver the <b>projects</b> in the council plan due to loss of key staff leads to significant financial losses, reputational damage and potential legal challenge.  | Justin Ives                            | All Directors        | 3x5                   | 15    | High       | <ul style="list-style-type: none"> <li>Improve the focus on the delivery of projects in the short timescale available.</li> <li>Good contingency planning and regular meetings.</li> <li>Sharing of knowledge and information in a central location.</li> <li>Good record keeping and documented procedure notes.</li> <li>Continue to make Hambleton an attractive place to work to encourage the retention of key employees.</li> <li>Keep staff informed of developments in a timely manner.</li> <li>Establish and retain good relationships with other stakeholders.</li> <li>Ensure that business continuity planning is robust.</li> <li>Maintain a positive attitude and approach to Local Government Re-organisation.</li> </ul>  | Ongoing                                | 2x2                 | 4     | Low        |
| 842     | <b>Local Government Re-organisation</b> - Failure to review the effects of the <b>risks</b> involved with Local Government Re-organisation on a regular basis leads to ineffective planning, resourcing and implementing of the corporate objectives.            | Justin Ives                            | All Service Managers | 2x2                   | 4     | Low        | <ul style="list-style-type: none"> <li>All risks are considered on a quarterly basis by Service Managers as part of the quarterly risk management review.</li> <li>The requirement to assess the Local Government Re-organisation risks will be highlighted as part of this process.</li> <li>Service Managers must make the review of Local Government Re-organisation risks a priority.</li> <li>Risks are reviewed quarterly by Management Team, Strategic Risk Management Group and Scrutiny Committee. Checks are therefore in place to ensure that a review will occur.</li> </ul>   | Oct-20                                 | 1x1                 | 1     | Low        |
| 843     | <b>Local Government Re-organisation</b> - Failure to maintain <b>morale and motivation</b> amongst staff leads to reduced performance, sub-standard service, possible sickness and possible resignation with potential reputational damage and financial losses. | Justin Ives                            | All Directors        | 4x2                   | 8     | Med        | <ul style="list-style-type: none"> <li>Re-assurance that Hambleton District Council will take an active role in the re-organisation process to ensure that the interests of staff are appropriately represented.</li> <li>Keep staff informed of developments in a timely manner.</li> <li>Provision of incentives to retain staff.</li> <li>Continue to support and invest in staff and to develop their knowledge and skills to motivate them in the current situation and prepare them for what the future holds.</li> <li>Understand what makes Hambleton an attractive place to work and continue to work with staff to carry this forward.</li> <li>Communicate regularly with staff on a personal level to resolve issues.</li> <li>Maintain a positive attitude and approach to Local Government Re-organisation.</li> </ul> | Oct-20                                 | 2x1                 | 2     | Low        |

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|         |   |  |                      | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| 844     | A lack of knowledge and application surrounding the prevention of <b>fraud and corruption</b> , increases the possibility of the Council's susceptibility to risk leading to loss of funds and reputational damage. Fraud risks include but not exclusively, commissioning of services, procurement, payroll, identity fraud, council tax, business rates, grants, disabled facility grants, insurance fraud, housing benefit/council tax reduction, cyber enabled fraud. | Louise Branford-White                  | All Service Managers | 2x4                   | 8     | Med        | <ul style="list-style-type: none"> <li>•A fraud risk assessment has been undertaken against the fraud and corruption risks along with horizon scanning of future potential risks.</li> <li>•A counter fraud and corruption strategy exists which has been communicated throughout and updated at Audit, Governance &amp; Standards Committee in October 2020.</li> <li>•Arrangements are in place to ensure probity and propriety in the conduct of business.</li> <li>•Successful cases of proven fraud / corruption are routinely publicised to raise awareness.</li> <li>•The Council has put in place arrangements to prevent and detect fraud and corruption and also a mechanism for ensuring that this is effective and is reported to committee.</li> <li>•Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.</li> <li>•There is a programme of works to ensure a strong counter fraud culture across all department and delivery agents led by counter fraud experts.</li> <li>•An independent whistle-blowing policy exists.</li> <li>•Aspects of fraud are included in HR policies including the flexi-time policy. Recruitment / selection includes full ID checks.</li> <li>•An annual fraud plan covers all areas of Council business and includes activities undertaken by contractors and third parties or voluntary sector activities.</li> <li>•Professionally trained fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.</li> <li>•All allegations of fraud and corruption are risk assessed.</li> <li>•The fraud and corruption response plan covers all areas of counter fraud work; prevention, detection, investigation, sanctions and redress.</li> <li>•Data is shared across services and with other enforcement</li> </ul> | Apr-21                                 | 1x2                 | 2     | Low        |

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| 854     | Failure to implement <b>Brexit legislative changes</b> leads to a disruption to services and an inability to service local needs -<br><ul style="list-style-type: none"> <li>Internal capacity to deal with changes in regulatory services</li> <li>Failure to manage communications with businesses/community/voluntary leads to reputational damage</li> </ul> | Paul Staines                           | All Service Managers | 2x3                   | 6     | Med        | <ul style="list-style-type: none"> <li>Engage with Local Resilience Forum partners at a strategic and tactical level using established emergency planning protocols</li> <li>Communicate with service managers forum to ensure business continuity plans reflect the risk</li> <li>Service managers to review legislative changes and implement necessary service changes</li> </ul>  | Apr-21                                 | 1x3                 | 3     | Low        |
| 856     | Failure to effectively manage the implications of having an <b>ageing workforce</b> , for example retirement options and age-related health matters could result in a loss of experienced employees and the consequent impact on service delivery and reputation.  | Steve Lister                           | All Service Managers | 4x5                   | 20    | High       | <ul style="list-style-type: none"> <li>Establish the existing position regards age demographics for each service.</li> <li>Establish the existing position regards age-related health problems for each service.</li> <li>Establish benchmark data for the metrics above.</li> <li>Obtain external guidance / advice from those facing similar issues.</li> <li>Set up a specific working team to establish an action plan.</li> <li>Consider ways to retain existing staff.</li> <li>Use agency staff as a last resort.</li> <li>Review blanket ban recruitment policy.</li> <li>Consider apprenticeships and a more flexible approach to job roles.</li> <li>Promote positive aspects of working in local government eg good pension, longevity.</li> <li>Review in light of Local Government Re-organisation.</li> </ul> | Jun-21                                 | 3x3                 | 9     | Med        |

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|   |   |                    |  |                                 | Likelihood : Impact   | Score | Risk Level |  |  | Likelihood : Impact | Score | Risk Level |
| <b>Driving Economic Vitality</b>                |   |                    |  |                                 |                       |       |            |  |  |                     |       |            |
| Discover Hambleton                              |   |                    |  |                                 |                       |       |            |  |  |                     |       |            |
| To be developed in Q2                           |   |                    |  |                                 |                       |       |            |  |  |                     |       |            |
| Covid-19 Economic Response & Recovery Programme |   |                    |  |                                 |                       |       |            |  |  |                     |       |            |
| To be developed in Q2                           |   |                    |  |                                 |                       |       |            |  |  |                     |       |            |
| Hambleton Education and Skills Programme        |   |                    |  |                                 |                       |       |            |  |  |                     |       |            |
| 845   | <b>Skills Village</b> Planning permission is not granted  | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 2x5                   | 10    | Med        | Discussions have been held with Members and planning colleagues ahead of submitting an application to ensure the proposals were suitable and likely to gain consent.   | Mar-22                                 | 1x5                 | 5     | Med        |
| 846   | <b>Skills Village</b> Licence for site is not granted   | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 2x5                   | 10    | Med        | The developers and landowners involved in the North Northallerton site have been engaged in the project planning and are agreeable to granting of a licence. Discussion at Project Management Board and Asset Management Working Group   | Mar-22                                 | 1x5                 | 5     | Med        |
| 847   | <b>Skills Village</b> A key member of the Business and Economy Team leaves the organisation before the project starts or during delivery. | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 5x4                   | 20    | High       | The Council has a highly experienced Economic Development Team that comprises 10 individuals. It has the capacity to manage a broad work programme and to ensure priority projects continue to be delivered in such circumstances. Continue to work closely as a team on key projects to build in resilience | Sep-21                                 | 3x3                 | 9     | Med        |
| 848   | <b>Skills Village</b> We are unable to recruit key members of staff needed to help deliver the project.                                   | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 5x4                   | 20    | High       | There are a number of experienced staff in the team to support the delivery of the project but will also require specialised advice and may recruit external support..   | Mar-21                                 | 3x2                 | 6     | Med        |

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|   |   |                    |  |                                 | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| Northallerton Bridge and Road Development |   |                    |  |                                 |                       |       |            |   |  |                     |       |            |
| 629                                       | <b>Northallerton Bridge and Road Development</b> -North Northallerton project slippage: unutilised grant funding is lost if it cannot be used in line with the timetable set out in the funding agreement                                     | Business & Economy | Mick Jewitt                            | Nicole Patterson & Sam Swinbank | 3x5                   | 15    | High       | The Council is working closely with the Developer Consortium and the relevant stakeholders to ensure the project can be delivered on time. Obligations on project delivery will seek to pass on risk of project slippage to Developer Consortium to mitigate risk to the Council. Project slippage has forced the need for a contract variation for the Local Enterprise Partnership Local Grant Funding. The Local Enterprise Partnership has agreed this and the variation – the agreement allows until October 2021 for the bridge to be delivered. A condition of the agreement was to ensure that all Local Growth Fund was spent and evidenced by end of March 2021. This was met. The LEP requested that 10% of the funds were retained to ensure that the developers continue with their reporting obligations through to project completion. | Mar-22                                 | 2x6                 | 12    | High       |
| 631                                       | <b>Northallerton Bridge and Road Development</b> -North Northallerton Development project proceeds but its viability is detrimentally affected by loss of grant. Other development costs would have to be reduced to make the project viable. | Business & Economy | Mick Jewitt                            | Nicole Patterson & Sam Swinbank | 2x5                   | 10    | Med        | Risk has reduced on receipt of Local Enterprise Partnership Grant. Need to continue to monitor affordable & develop margin and viability for affordable housing. Project variation referenced at risk 629 will maintain the mitigation of this risk. Progress kept under review through quarterly strategic project monitoring and as part of quarterly performance review and risk management review process.  | 2028                                   | 1x5                 | 5     | Med        |
| 632                                       | <b>Northallerton Bridge and Road Development</b> -North Northallerton Project is delayed or stalls completely, adversely affecting the Council's supply of housing and employment land.   | Business & Economy | Mick Jewitt                            | Nicole Patterson & Sam Swinbank | 5x5                   | 25    | High       | The situation is monitored and regular communication maintained with the developer consortium and stakeholders to ensure delivery of project. Progress kept under review through quarterly strategic project monitoring and as part of quarterly performance review and risk management review process.   | 2028                                   | 3x5                 | 15    | High       |

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|  |  |                    |  |                                 | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| Treadmills - Phase 2 and 3 / Future High Street Fund |  |                    |  |                                 |                       |       |            |   |  |                     |       |            |
| 804  | <b>Central Northallerton Redevelopment</b> – Increase in cost of the project once works begin due to unforeseen circumstances  | Commercial         | Mick Jewitt                            | Hannah Heinemann                | 4x4                   | 16    | High       | Manage project to identify issues early and identify parts of project that can be adapted. Secure additional external funding where possible. Internal Project Group monitors budget and costs on a 6-weekly basis.   | To be reviewed in Q2 2021-22           | 3x4                 | 12    | High       |
| 825  | <b>Central Northallerton Redevelopment</b> - The income generated from the asset (Treadmills Phase 2 and 3) does not cover the Council's finance costs due to voids or low rents and the cost of management                    | Commercial         | Mick Jewitt                            | Hannah Heinemann                | 4x5                   | 20    | High       | Monitor the income stream closely and maximise commercial income. Future High Street Funding has been secured. Keep members apprised of any future issues.  | 6 weekly monitoring                    | 3x4                 | 12    | High       |
| 826  | <b>Central Northallerton Redevelopment</b> - Negative publicity about Council expenditure to support the scheme (Treadmills Phase 2 and 3 ) and criticism from other businesses  | Commercial         | Mick Jewitt                            | Hannah Heinemann                | 4x4                   | 16    | High       | Proactive communication plan and good media engagement regarding the wider economic and community benefits to the area  | 6 weekly monitoring                    | 4x3                 | 12    | High       |
| 849  | <b>Northallerton Town Square Improvements</b> – delivery delays result in Local Growth Fund (circa £1m to spend in Q4 20/21) being lost to the project and the council having to find additional funding to complete delivery. | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 4x3                   | 12    | High       | The project has been designed, tendered and a contractor appointed who is due to start on site in January. Materials have been pre-ordered to front load the scheme with spend. Similarly the S278 commuted sums will be paid in Q4 20-21 to reduce funds remaining. A spend profile will be developed with the contractor and monitored regularly with them to ensure remaining funds can be spent and evidence assembled in the required timeframe. All Local Growth Funding (LGF) has been claimed by the agreed deadline, now monitoring of Future High Street Fund spend for the project | 01/03/2022 Complete                    | 2x3                 | 6     | Med        |
| 850  | <b>Northallerton Town Square Improvements</b> – project costs greater than anticipated, council has to additional funding to complete delivery.  | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 4x3                   | 12    | High       | A contingency for cost overrun or to cover additional supporting work has been included in the amount contained in the Cabinet report (Nov 20).   | Ongoing                                | 2x3                 | 6     | Med        |

| Risk ID | Risk Name   | Service            | Service Director / Responsible Officer | Risk Manager                    | GROSS / INHERENT RISK |       |            | ACTION PLAN  | ACTION PLAN timeline / completion date | NET / RESIDUAL RISK |       |            |
|---------|---|--------------------|--|---------------------------------|-----------------------|-------|------------|--|--|---------------------|-------|------------|
|         |   |                    |  |                                 | Likelihood : Impact   | Score | Risk Level |  |  | Likelihood : Impact | Score | Risk Level |
| 851     | <b>Northallerton Town Square Improvements</b> - Project management capacity not sufficient - Issues that arise are not dealt with in a timely manner causing delay or increased expenditure | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 2x4                   | 8     | Med        | Provide dedicated project management capacity. Ensure clear roles and responsibilities of project team   | Ongoing                                | 2x3                 | 6     | Med        |
| 852     | <b>Northallerton Town Square Improvements</b> - Delays caused by unexpected underground services - Delays to programme and additional cost – negative perception by stakeholders            | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 3x3                   | 9     | Med        | Undertake Ground Penetrating Radar Surveys and trial holes to identify potential issues. Early engagement with utilities. Maintain effective public relations and communications through the scheme. | Ongoing                                | 2x3                 | 6     | Med        |
| 853     | <b>Northallerton Town Square Improvements</b> - Disruption to post Covid High Street Re-opening - Negative feedback from High Street Businesses, traders and residents                      | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 3x3                   | 9     | Med        | Effective project management to anticipate and respond to policy changes. Ensure positive public relations and communications through the project.   | Ongoing                                | 2x3                 | 6     | Med        |

## Enhancing Health & Wellbeing

### Community Leisure Facilities Improvements

|     |  |                       |              |                               |     |    |      |   |      |     |   |     |
|-----|--|-----------------------|--------------|-------------------------------|-----|----|------|---|------|-----|---|-----|
| 821 | <b>Community Leisure Facilities Improvements</b> - Without a planned approach to investment and development of facilities there will be a deterioration in service performance, financial and reputational losses and a negative impact upon the health and well-being of residents/customers. | Leisure & Communities | Steve Lister | Colin Winfield/Dave Ashbridge | 4x4 | 16 | High | <ul style="list-style-type: none"> <li>Develop and implement a planned approach to investment and development of leisure facilities.</li> <li>SLC gym refurbishment carried out, further work planned for 2020/21 Easingwold Sports hall and 3g now open</li> <li>Funding agreed to carry out developments at Bedale Leisure Centre.</li> </ul> | 2023 | 2x3 | 6 | Med |
|-----|--|-----------------------|--------------|-------------------------------|-----|----|------|---|------|-----|---|-----|

| Risk ID                                      | Risk Name   | Service               | Service Director / Responsible Officer | Risk Manager   | GROSS / INHERENT RISK |       |            | ACTION PLAN   | ACTION PLAN timeline / completion date | NET / RESIDUAL RISK |       |            |
|--|---|-----------------------|--|----------------|-----------------------|-------|------------|---|--|---------------------|-------|------------|
|  |   |                       |  |                | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| Northallerton Sports Village                 |   |                       |  |                |                       |       |            |   |  |                     |       |            |
| 699  | <b>Northallerton Sports Village</b> - Funding Plan cannot be resourced sufficiently to develop the village as intended (greater risk to phases after phase 1) | Leisure & Communities | Steve lister                           | Lisa Wilson    | 4x4                   | 16    | High       | <ul style="list-style-type: none"> <li>Built Facilities, Playing Pitch and Open Spaces strategies have been produced to evidence the need for more sports provision in Northallerton</li> <li>Section 106 funds have been secured (£464k) and Community Infrastructure Levy funding (£310k); and European Regional Development Fund application has been successful for £503,706k</li> <li>National Governing Bodies will be consulted in a timely fashion.</li> <li>The Council has purchased a Grant Finder product.</li> </ul> | 2023                                   | 2x4                 | 8     | Med        |
| Sowerby Sports Village                       |   |                       |  |                |                       |       |            |   |  |                     |       |            |
| 745  | <b>Sowerby Sports Village</b> (Future Phases) - Funding Plan cannot be resourced sufficiently to develop the village as intended                              | Leisure & Communities | Steve Lister                           | Lisa Wilson    | 4x4                   | 16    | High       | <ul style="list-style-type: none"> <li>Built Facilities, Playing Pitch and Open Spaces strategies have been produced to evidence the need for more sports provision in Thirsk</li> <li>National Governing Bodies will be consulted in a timely fashion – currently working with the Football Foundation on a grant application.</li> <li>The council has purchased a Grant Finder product</li> </ul>  | 2022                                   | 2x3                 | 6     | Med        |
| Thirsk & Sowerby Leisure Centre Improvements |   |                       |  |                |                       |       |            |   |  |                     |       |            |
| 820  | <b>Thirsk &amp; Sowerby Leisure Centre Improvements</b> - Failure to deliver project to stipulated quality / cost / programme                                 | Leisure & Communities | Steve Lister                           | Colin Winfield | 3x4                   | 12    | High       | <ul style="list-style-type: none"> <li>Working with established development partner Alliance Leisure.</li> <li>Project risk register in place.</li> <li>Fortnightly progress meeting scheduled</li> </ul>   | Sep-21                                 | 2x3                 | 6     | Med        |
| Community Assest Enhancement                 |   |                       |  |                |                       |       |            |   |  |                     |       |            |
| To be developed                              |   |                       |  |                |                       |       |            |   |  |                     |       |            |

| Risk ID                                     | Risk Name  | Service              | Service Director / Responsible Officer | Risk Manager     | GROSS / INHERENT RISK |       |            | ACTION PLAN  | ACTION PLAN timeline / completion date   | NET / RESIDUAL RISK |       |            |
|---|--|----------------------|--|------------------|-----------------------|-------|------------|--|--|---------------------|-------|------------|
|   |  |                      |  |                  | Likelihood : Impact   | Score | Risk Level |  |  | Likelihood : Impact | Score | Risk Level |
| <b>Caring for the Environment</b>           |  |                      |  |                  |                       |       |            |  |  |                     |       |            |
| Implementing the Climate Change Action Plan |  |                      |  |                  |                       |       |            |  |  |                     |       |            |
| 827   | <b>Climate Change</b> - New project as approved in the 2019-23 Council Plan in September 2019. Failure to develop an energy strategy to set out how the Council plans, manages and adapts to meet its energy needs leads to reputational damage. | Design & Maintenance | Paul Staines                           |                  | 4x3                   | 12    | High       | Set up Climate Action Group. Identify and investigate opportunities to obtain energy from renewable sources. Use LGA Carbon Tool to baseline existing usage and look for shared approaches and projects. A strategy and policy was approved by Council in April 2021. Application made to the Government's De-Carbonisation Fund in January 2021 and successful £4.7 million grant awarded, Leisure Services to deliver. A further report is to be presented to Management Team in September 2021. | Quarterly                                | 2x3                 | 6     | Med        |
| Hambleton Decarbonisation Scheme            |  |                      |  |                  |                       |       |            |  |  |                     |       |            |
| To be developed                             |  |                      |  |                  |                       |       |            |  |  |                     |       |            |
| Crematorium Project                         |  |                      |  |                  |                       |       |            |  |  |                     |       |            |
| 811   | <b>Crematorium Project</b> - Increase in costs of the project once design has been developed and fully costed.   | Commercial           | Mick Jewitt                            | Hannah Heinemann | 4x4                   | 16    | High       | Manage project to identify issues early and identify parts of project that can be adapted. Carry out value engineering exercise with the consultant team.  | Monitoring monthly as project progresses | 3x4                 | 12    | High       |
| 813   | <b>Crematorium Project</b> - The income from the service is less than expected and/or the operating costs are higher than anticipated.   | Commercial           | Mick Jewitt                            | Hannah Heinemann | 4x4                   | 16    | High       | Develop KPIs, monitor and implement improvement plans. Identify issues early. Report to Members at the earliest opportunity.   | Monitoring monthly as project progresses | 3x4                 | 12    | High       |
| Electric Vehicle Charging Points            |  |                      |  |                  |                       |       |            |  |  |                     |       |            |
| 828   | <b>Electric Charging Points</b> - Failure to deliver a plan and programme for the introduction of an electric vehicle charging infrastructure leads to reputational damage to the Council  | Design & Maintenance | Steven Lister                          | Clive Thornton   | 3x3                   | 9     | Med        | Development of electric vehicle charging infrastructure strategy / plan. Priority locations have been identified. Programme for priorities in place. Monitor and review. Significant impact of COVID-19 on scheme delivery   | Sep 21<br>Nov-21<br>Jan-22<br>Mar-22     | 2x2                 | 4     | Low        |

| Risk ID                                  | Risk Name  | Service  | Service Director / Responsible Officer | Risk Manager | GROSS / INHERENT RISK |       |            | ACTION PLAN   | ACTION PLAN timeline / completion date | NET / RESIDUAL RISK |       |            |
|--|--|----------|--|--------------|-----------------------|-------|------------|---|--|---------------------|-------|------------|
|  |  |          |  |              | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| Decarbonisation of the Leisure Centres   |  |          |  |              |                       |       |            |   |  |                     |       |            |
| To be developed                          |  |          |  |              |                       |       |            |   |  |                     |       |            |
| <b>Providing a Special Place to Live</b> |  |          |  |              |                       |       |            |   |  |                     |       |            |
| New Local Plan                           |  |          |  |              |                       |       |            |   |  |                     |       |            |
| 115                                      | <b>Local Plan</b> -Market conditions or ineffective spatial planning leads to a reduction in new homes completions and results in the Council not meeting its new homes target and consequently reduction in New Homes Bonus & Council Tax receipts. | Planning | Jon Berry / Mick Jewitt                | Jon Berry    | 3x3                   | 9     | Med        | Progress a new Local Plan for the period up to 2036 that reflects current government guidance and provides a good range of deliverable housing sites. Also work closely with developers to bring sites forward. Regular performance monitoring and good project management.                 | Reviewed quarterly                     | 3x1                 | 3     | Low        |
| 763                                      | <b>Local Plan</b> - Ineffective spatial planning results in the Council being found to be in failure and the government intervenes.  | Planning | Jon Berry / Mick Jewitt                | Jon Berry    | 1x5                   | 5     | Med        | Up to date Local Development scheme to be published in September 2021. Members & officer involvement in Duty to Co-operate. Robust evidence base for strategic approach in new Local Plan   | On-going                               | 1x4                 | 4     | Low        |
| Best in Class Planning service           |  |          |  |              |                       |       |            |   |  |                     |       |            |
| 831                                      | <b>Best in Class</b> - iESE Review fails to deliver improvements   | Planning | Jon Berry                              | Jon Berry    | 2x5                   | 10    | Med        | The iESE involvement is now complete and the Chief Planning Officer is using their findings as a base to design an improvement plan, there has been some delay and requirement to amend draft plans due to Covid and emerging Local Government Re-organisation. Implement Improvement Plan. | Ongoing                                | 1x3                 | 3     | Low        |
| 832                                      | <b>Best in Class</b> - Lack of resource hampers attempts to put improvements in place  | Planning | Jon Berry                              | Jon Berry    | 4x5                   | 20    | High       | Review staffing levels weekly with Development Managers and action immediately to replace/backfill where necessary<br>Chief Planning Officer in post. Brief Management Team on resource requirements  | Ongoing                                | 1x3                 | 3     | Low        |
| Heritage Action Zones                    |  |          |  |              |                       |       |            |   |  |                     |       |            |
| To be developed                          |  |          |  |              |                       |       |            |   |  |                     |       |            |

| Risk ID              | Risk Name  | Service            | Service Director / Responsible Officer | Risk Manager                    | GROSS / INHERENT RISK |       |            | ACTION PLAN   | ACTION PLAN timeline / completion date | NET / RESIDUAL RISK |       |            |
|----------------------|--|--------------------|--|---------------------------------|-----------------------|-------|------------|---|--|---------------------|-------|------------|
|                      |  |                    |  |                                 | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |
| Vibrant Market Towns |  |                    |  |                                 |                       |       |            |   |  |                     |       |            |
| 751                  | <b>Vibrant Market Towns</b> Project – Business Bulletins. Declining numbers on mailing list or increasing numbers of subscribers are not opening bulletin. | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 2x3                   | 6     | Med        | Keep content relevant and to the point. Continual promotion of the bulletins to businesses, and reminder promotional work internally so that Business & Economy team can recruit a pipeline of new subscribers.   | Reviewed annually/ January 2022        | 2x3                 | 6     | Med        |
| 752                  | <b>Vibrant Market Towns</b> Project – Town distinctiveness themes. Lack of adoption by towns.  | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 2x3                   | 6     | Med        | Develop distinctiveness themes in conjunction with delivery partners in each town to ensure buy-in and support. Further development on Vibrant Market Towns to be ongoing when return to 'normal' times following Covid-19. Gencon and Gillespies have been commissioned to complete Town Investment Plans which will incorporate distinctiveness themes developed with the input of local stakeholders | Dec-21                                 | 2x3                 | 6     | Med        |
| 755                  | <b>Vibrant Market Towns</b> Project – Professional Communications and Media. Social Media – a controversial post may cause offence.                        | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 1x4                   | 4     | Low        | Social Media training and guide provided to the team. The posts will be created and scheduled in advance, taking away the risk of an 'off the cuff' post. Post content will be written to avoid controversy.  | On-going                               | 1x4                 | 4     | Low        |
| 756                  | <b>Vibrant Market Towns</b> Project –Developing the Markets offer across the district. Lack of engagement by traders.                                      | Business & Economy | Mick Jewitt                            | Nicole Patterson / Sam Swinbank | 2x3                   | 6     | Med        | The development and promotion of the markets is embracing all the markets in the district. Regular communications with traders has been established and will continue. The work is managed by a project management team as required in association with Design and Maintenance.   | Project Group meets as required        | 2x3                 | 6     | Med        |

| Risk ID | Risk Name   | Service              | Service Director / Responsible Officer | Risk Manager          | GROSS / INHERENT RISK |       |            | ACTION PLAN  | ACTION PLAN timeline / completion date | NET / RESIDUAL RISK |       |            |
|---------|---|----------------------|--|-----------------------|-----------------------|-------|------------|--|--|---------------------|-------|------------|
|         |   |                      |  |                       | Likelihood : Impact   | Score | Risk Level |  |  | Likelihood : Impact | Score | Risk Level |
| 416     | Significant reduction in government grant and support from business rates leading to the inability to sustain council services at the current level.  | Corporate Finance    | Louise Branford-White                  | Louise Branford-White | 4x5                   | 20    | High       | An on-going programme of efficient service delivery, saving reviews and a focus on income generation that ensures best value is being achieved and income is maximised. The 4-year Financial Strategy 2021/22 to 2024/25 takes into account the estimate reduction of grant and business rates funding, where 11 risks are provided in detail in the Financial Strategy 2021/22 to 2024/25 Report approved by Members in February 2021.  | Ongoing                                | 4x4                 | 16    | High       |
| 542     | Failure to have procedures and available resources to carry out proactive and reactive inspections of potentially contaminated land resulting in: <ul style="list-style-type: none"> <li>• Significant risk of harm to the environment and public health if any contamination is not remediated.</li> <li>• A potential significant financial burden on the Council.</li> <li>• Significant reputational damage.</li> </ul> | Environmental Health | Paul Staines                           | Vikki Flowers         | 4x5                   | 20    | High       | <ul style="list-style-type: none"> <li>• Documented procedures are in place and are reviewed periodically.</li> <li>• Reactive checks are carried out to establish Class A or Class B liability groups to prevent the Council becoming responsible for contaminated sites and funding remediation costs.</li> <li>• Information on prioritised sites is shared with Development Management for inclusion on the Council's Brownfield Land Register of sites suitable for redevelopment, so the cost of remediation falls to the developer.</li> <li>• There is no designated funding in the Environmental Health budget to carry out investigation and potential remediation of contaminated sites. However, it is a legislative requirement that the Council would fund decisions made.</li> <li>• Contaminated Land now included in the Service's Enforcement Policy.</li> </ul> | 31.03.2022 Review                      | 3x4                 | 12    | High       |

| Risk ID | Risk Name   | Service              | Service Director / Responsible Officer | Risk Manager          | GROSS / INHERENT RISK |       |            | ACTION PLAN   | ACTION PLAN timeline / completion date                             | NET / RESIDUAL RISK |       |            |  |
|---------|---|----------------------|--|-----------------------|-----------------------|-------|------------|---|--|---------------------|-------|------------|--|
|         |   |                      |  |                       | Likelihood : Impact   | Score | Risk Level |   |  | Likelihood : Impact | Score | Risk Level |  |
| 732     | Failure to have an appropriate Management Information System (MIS) for Environmental Health to collect data, create and maintain intelligent work processes, provide and analyse performance management information and provide data for statutory returns and other requests for information resulting in: <ul style="list-style-type: none"> <li>• Inefficient working practices.</li> <li>• Lack of effective performance management.</li> <li>• Poor quality customer interaction.</li> <li>• Increased customer complaints.</li> <li>• Failure to provide information to Government agencies and other bodies/individuals.</li> <li>• Failure to comply with data protection requirements.</li> <li>• Failure to complete project within timescale due to the coronavirus pandemic.</li> </ul> | Environmental Health | Paul Staines                           | Vikki Flowers         | 5x4                   | 20    | High       | <ul style="list-style-type: none"> <li>• Current Management Information System is not fit for purpose.</li> <li>• Data is recorded; however the system does not allow effective performance management, intelligent workflows, agile working solutions or effective customer interaction.</li> <li>• Data retention is not compliant with statutory requirements.</li> <li>• Lack of knowledge and expertise to make improvements.</li> <li>• Following a review of the current system to identify deficiencies, it has been established that the required improvements are likely to be cost prohibitive. A new Management Information System provider has been appointed.</li> <li>• Challenge to implement system during new working arrangements as a result of Coronavirus and the go live date has been delayed due to Coronavirus and development issues within the system.</li> </ul> | 31.03.2022<br>Implementation of the Management Information System. | 3x4                 | 12    | High       | The development and implementation phases are now underway |
| 786     | Failure to meet the target for business rate growth as reflected in the Financial Strategy would impact upon the financial resilience of the Council.   | Revenues & Benefits  | Louise Branford-White                  | Louise Branford-White | 4x5                   | 20    | High       | Monitoring of business rate growth is ongoing and opportunities are taken to retain business rates when government initiatives arise e.g. Business Rate Pool with other West Yorkshire and North Yorkshire Councils in 2020/21. The Council has not entered any Business Rate pooling arrangements for 2021/22 due to the potential detrimental impact from the Covid-19 pandemic. The Comprehensive Spending Review in Autumn 2021, as to potential changes through the Business Rate Retention Scheme and Fair Funding review undertaken from Government, is awaited for the funding implications on the Council. The Council is pro-actively lobbying government with regard to potential funding that will be received.   | Ongoing  | 4x4                 | 16    | High       |  |

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## **Hambleton District Council**

**Report To:** Audit, Governance and Standards Committee

**Date:** 5 October 2021

**From:** Interim Director of Finance (s151 Officer)

**Subject:** **Internal Audit and Counter Fraud First Progress Report 2021/22**

**Portfolio Holder:** Economic Development and Finance  
Councillor P R Wilkinson

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

- 1.1 Under the Accounts & Audit Regulations 2015, it is a statutory requirement for councils to have effective internal audit. The council has formalised its arrangements for internal audit within the Audit Charter. Internal audit work is undertaken by Veritau who carries out work in accordance with the Public Sector Internal Audit Standards (PSIAS).
- 1.2 The purpose of this report is to provide Members with an update on audit work planned and undertaken, and counter fraud activity since the last report to this committee.

### **2.0 The Report**

- 2.1 The internal audit progress report is contained in annex 1. In the period since the last committee, three internal audit reports (on Leisure Centres, Health and Safety Management, and Lifeguards Training) have been finalised. Work planning 4 new audits has also started. The annex also includes internal audit priorities and planned work for the rest of the year.
- 2.2 The counter fraud progress report is contained in annex 2. It reports on progress against the counter fraud work programme. A range of work is detailed including activity to promote awareness of fraud, work with external agencies, and information on the level of fraud reported to date.

### **3.0 Link to Council Priorities**

- 3.1 The work of internal audit and counter fraud supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.

#### **4.0 Risk Assessment**

4.1 There are no risks associated with this report.

#### **5.0 Financial Implications**

5.1 There are no financial implications associated with this report.

#### **6.0 Legal Implications**

6.1 There are no legal implications associated with the recommendations in the report.

#### **7.0 Equalities and Diversity Issues**

7.1 Equality and Diversity Issues have been considered. There are no issues associated with this report.

#### **8.0 Recommendation**

8.1 That the Committee note the work undertaken by internal audit and the counter fraud team in the year to date.

Noel O'Neill  
Interim Director of Finance (s151 Officer)

**Background papers:** None

**Author ref:** SC/DC

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# INTERNAL AUDIT PROGRESS REPORT 2021/22

Date: 5 October 2021

Annex 1





## BACKGROUND

- 1 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's Audit Charter. In accordance with the PSIAS, the Head of Internal Audit is required to report progress to the committee on the programme of internal work to support the annual internal audit opinion, and to highlight any emerging significant risks and/or control issues we have become aware of.
- 2 The proposed 2021/22 areas of work for internal audit, and the approach to flexible audit planning, was summarised in the Internal Audit Plan, which was agreed by members in March 2021.
- 3 It is important that audit resources are used effectively and continue to focus on those areas which add the most value. The plan is therefore designed to be flexible so that as new risks are identified or priorities change the audit programme can be updated. This is particularly important this year as the Council recovers from the Covid-19 pandemic and begins the process to create a new single council for North Yorkshire.



## INTERNAL AUDIT PROGRESS

- 4 In the period to 3 September 2021, three final internal audit reports (covering Leisure Services, Health and Safety, and Lifeguard Training) have been issued. Planning work has also started for 4 pieces of work. There are no areas of emerging significant risks and/or significant control issues which we have become aware of, that we need to highlight to the committee.
- 5 Further information on the areas of work are included in the appendices to this report. Appendix A provides details of the internal audits currently in progress and the status of each audit. Appendix B provides details of the work scheduled to be started next. Appendix C provides details of the three audit reports which have been finalised since the last committee.



## FOLLOW-UP OF AGREED ACTIONS

- 6 Responsibility to resolve issues and implement agreed actions lies with management. Public Sector Internal Audit Standards (PSIAS) require internal auditors to have a follow up process to monitor action taken to address issues identified as part of internal audit work.
- 7 It is important that agreed actions to address previously reported findings and internal control matters are regularly and formally followed up. This helps to provide assurance to Management and Members that control weaknesses have been properly addressed, and also provides assurance for our overall Head of Internal Audit Opinion.

- 8 We have followed up agreed actions either as part of our ongoing audit work, or by separate review. We currently have no matters to report to members as a result of our follow up work.

## APPENDIX A: INTERNAL AUDIT WORK IN PROGRESS

| Audit                           | Status              | Assurance Level       |
|---------------------------------|---------------------|-----------------------|
| <b>2021/22</b>                  |                     |                       |
| Payroll                         | Planning Commenced  | -                     |
| Sundry Debtors                  | Planning Commenced  | -                     |
| CIPFA Financial Management Code | Planning Commenced  | -                     |
| Risk Management                 | Planning Commenced  | -                     |
| <b>2020/21</b>                  |                     |                       |
| Leisure Centres                 | Final Report Issued | Substantial Assurance |
| Health and Safety Management    | Final Report Issued | Reasonable Assurance  |
| Lifeguard Training              | Final Report Issued | Reasonable Assurance  |

## APPENDIX B: CURRENT PRIORITIES FOR INTERNAL AUDIT

| Audit  | Status  |         |          |
|--|---------|---------|----------|
|  | Ongoing | Do next | Do later |
| <b>Strategic and Corporate risks</b>                                       |         |         |          |
| Local Government Reorganisation (LGR) preparedness and emerging risk areas |         | ✓       | ✓        |
| Post Covid-19 recovery and response plans                                  |         | ✓       | ✓        |
| Medium term financial planning and the CIPFA Financial Management Code     | ✓       |         | ✓        |
| Risk management  | ✓       |         |          |
| HR and workforce planning  |         | ✓       |          |
| Project Management   |         |         | ✓        |
| Performance management and data quality                                    |         |         | ✓        |
| Business continuity and disaster recovery                                  |         | ✓       |          |
| Procurement and contract management  |         |         | ✓        |
| Climate change   |         | ✓       |          |
| Training and Development   |         |         | ✓        |
|  |         |         |          |
| <b>Financial Systems</b>   |         |         |          |
| Payroll  | ✓       |         |          |
| Creditors  |         | ✓       |          |
| Sundry Debtors, including debt recovery                                    | ✓       |         |          |
| Income Collection  |         |         | ✓        |
| Budgetary Control  |         | ✓       |          |
| Revenues and Benefits  |         |         | ✓        |
| Treasury Management  |         | ✓       |          |
|  |         |         |          |
| <b>Service Area Reviews</b>  |         |         |          |
| Leisure Services   |         | ✓       |          |
| Environmental Health - food inspections and water safety inspections.      |         | ✓       |          |
| Customer Services  |         |         | ✓        |
|  |         |         |          |
| <b>Technical/Project Risks</b>   |         |         |          |
| Cyber security   |         | ✓       |          |
| ICT Change Management  |         |         | ✓        |
| Digitalisation / automation  |         |         | ✓        |
| Support and review of specific key projects                                |         | ✓       |          |
|  |         |         |          |
| <b>Other Audit Assurance Areas</b>   |         |         |          |
| Continuous Audit planning and assurance gathering to support our opinion.  | ✓       | ✓       | ✓        |
| Follow up of management actions  | ✓       | ✓       | ✓        |

### **Further explanation on the work status**

The programme of work is subject to ongoing review and will be adjusted in response to changes in the Council's activities, risks, operations, systems and controls. During the year, planned work is prioritised on the basis of:

- Do first – work of the highest value, priority, or urgency
- Do next – work to be started after current audit work is completed
- Do later – work to be scheduled for consideration later in the audit year

Changes in the priority and timings of work are agreed with council officers.

Individual audit assignments can also move between the categories as required. For example an audit scheduled for quarter 3 to minimise the impact on a service area may initially be classed as to "do later", but will become "do now" as we move into quarter 3. Similarly, an audit classed as "do now" because it represents an area of high importance to the Council may move from "do now" to "do next" or "do later", if the project slips or planned work cannot be undertaken until a specific point is reached. Towards the end of the year, some audits classed as "do later" are likely to be deferred until the next year.

### **Work to support our Annual Opinion**

As reported when the programme of internal audit was agreed by Members at the March 2021 Committee, the programme of internal audit work is prepared on the basis of an initial assessment of risk and to ensure there is sufficient coverage of the framework of governance, risk management and internal control.

We have defined the following as areas where assurance is required in order to enable us to provide an evidence based opinion:

- Strategic planning
- Organisational governance
- Financial governance
- Risk management
- Information governance
- Performance management and data quality
- Procurement and contract management
- People management
- Asset management
- Programme and project management
- ICT governance

The requirement for providing assurance across these areas is taken into account when prioritising work.

## APPENDIX C: SUMMARY OF FINDINGS FROM AUDITS FINALISED SINCE THE LAST REPORT TO THE COMMITTEE

| Audit           | Opinion               | Area reviewed   | Date issued | Comments / Issues identified  | Management actions agreed  |
|-----------------|-----------------------|---|-------------|---|--|
| Leisure Centres | Substantial Assurance | <p>We reviewed the arrangements for service quality and performance to ensure that:</p> <ul style="list-style-type: none"> <li>• Service quality at Leisure Centres was being monitored in line with the expected internal and external assessment frameworks.</li> <li>• Appropriate resulting action took place from any improvement actions raised, and learning was shared between centres.</li> <li>• The Leisure Centres had appropriate, and useful KPIs in place to measure quality of service, based on accurate information.</li> </ul> | July 2021   | <p><b>Strengths:</b></p> <p>All Centres received an Excellent rating in their last external Quest assessment.</p> <p>All external and internal assessments had been carried out in line with the expected schedules and frequency.</p> <p>A sample of actions from the last external Quest assessment for all four Leisure Centre's were reviewed and we saw these had been suitably considered and where appropriate, resulting action had been taken.</p> <p><b>Areas for improvement:</b></p> <p>The meeting minutes we reviewed did not show that showed appropriate discussion (and resulting actions) were taking place and being managed from any improvement actions raised from internal and external assessments; nor the sharing of learning between Centres.</p> <p>There is no central record of all external assessments that have taken place at each Leisure Centre. Such a record could be useful information to help support operational performance indicators as well as effective monitoring of the Leisure Centres.</p> | <p><b>2 x Priority 3 findings were agreed with the Director for Leisure and Communities</b></p> <p>Assessments and audits are discussed at operational management meetings and actions are noted. However, explicit reference will be noted on future minutes with clear links to relevant action plans.</p> <p>Officers will develop an Assessments/Audit log which will include all actions arising from planned and reactive assessments/ audits.</p> |

| Audit                        | Opinion              | Area reviewed  | Date issued | Comments / Issues identified  | Management actions agreed   |
|------------------------------|----------------------|--|-------------|---|---|
| Health and Safety Management | Reasonable Assurance | <p>The Council has statutory responsibilities to have in place appropriate arrangements for managing the health and safety of its employees and of those affected by its activities. To meet these requirements, the council has in place a number of arrangements.</p> <p>We reviewed the arrangements to ensure:</p> <ul style="list-style-type: none"> <li>• Appropriate governance arrangements were in place over health and safety at the Council.</li> <li>• Risk assessments were up-to-date, reviewed at appropriate intervals and were used to inform training needs.</li> <li>• Health and safety arrangements relating to Covid-19 risks and a return to more 'normal working' were robust.</li> </ul> | August 2021 | <p><b>Strengths:</b></p> <p>A high-level Health and Safety Policy is in place which was last updated in July 2020 and was approved by the Chief Executive.</p> <p>The Health and Safety Risk Manager provides specialised support to the council, and a Service-Level Agreement (SLA) is in place to govern the arrangement.</p> <p>Arrangements in the higher-risk service areas were found to be robust.</p> <p>Sound arrangements were found to be in place for a return to 'normal' working following the Covid-19 pandemic.</p> <p><b>Areas for Improvement:</b></p> <p>The corporate KPI on completed risk assessments in 2020/21 was incorrectly reported. Consequently the Corporate Health and Safety Group and Management Team were told 100% of risk assessments had been completed, when one area had not had a completed assessment since November 2019.</p> <p>Some Mandatory health and safety training courses have not being completed by all employees and the completion (or otherwise) of the training is not being monitored by the Council.</p> <p>Completion of the health and safety induction checklists is not currently being monitored.</p> | <p><b>2 x Priority 2 findings and 1 x Priority 3 finding was agreed by the Director of Environment.</b></p> <p>KPI reporting will be further monitored and periodic checks of risk assessment completion will be carried out by the Health and Safety Risk Manager.</p> <p>HR have made service managers aware of their responsibilities for ensuring completion of Mandatory courses.</p> <p>The use of electronic systems will be investigated as a way to help ensure mandatory courses are completed.</p> <p>A full review of the induction process is underway by HR and work is being undertaken on a virtual induction programme. The current checklist has been reviewed and is to be reissued shortly. Progress will be monitored through the H&amp;S sub-groups and the corporate H&amp;S group with a planned completion date for all actions by 31 August 2022.</p> |

| Audit              | Opinion              | Area reviewed   | Date issued    | Comments / Issues identified  | Management actions agreed   |
|--------------------|----------------------|---|----------------|---|---|
| Lifeguard Training | Reasonable Assurance | <p>We reviewed lifeguard training to ensure:</p> <ul style="list-style-type: none"> <li>Lifeguards had an in-date National Pool Lifeguard Qualification (NPLQ).</li> <li>Necessary checks were carried out to ensure continuing professional development and the necessary periodic reassessment occurred.</li> <li>Records of training were properly kept and regularly updated.</li> <li>Training practices were consistent across the four leisure centres.</li> </ul> | September 2021 | <p><b>Strengths:</b></p> <p>System data showed all staff employed as lifeguards had an in-date National Pool Lifeguard Qualification (NPLQ). Sample review to the supporting certificate confirmed in all 10 cases the certificate existed and was consistent to system data. Lifeguards are keeping up with competency assessments to ensure National Pool Lifeguard Qualification (NPLQs) remain valid across the four centres.</p> <p>Record keeping around training highlighted no weaknesses.</p> <p>Training practices were generally consistent across the four leisure centres.</p> <p><b>Areas for Improvement:</b></p> <p>The leisure centres check lifeguards competency at the poolside with the Council's policy requiring each lifeguard to be observed every 6 months. Our sample testing identified some instances where these checks were not taking place, or when some were, the National Pool Lifeguard Qualification (NPLQ) was not being checked.</p> <p>Consequently there was a risk that lifeguards competency on poolside is not sufficiently checked and documented and also that expiry dates are not sufficiently monitored.</p> | <p><b>1 x Priority 2 finding was agreed with the Leisure Operational Delivery Manager</b></p> <p>The Assistant Manager for Northallerton and Thirsk leisure centres will monitor lifeguard observations at all sites on a monthly basis to ensure they are taking place as required.</p> <p>Monitoring will also take place at future Health and Safety operational meetings and at quarterly Health and Safety sub group meetings.</p> |

# COUNTER FRAUD PROGRESS REPORT 2021/22

Date: 5 October 2021

Annex 2





## BACKGROUND

- 1 Fraud is a significant risk to local government. Losses to councils are estimated to exceed £7.8 billion annually in the United Kingdom.<sup>1</sup>
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. A total of 120 days of counter fraud work has been agreed for 2021/22. This time will be used to investigate allegations of fraud, plan and take part in counter fraud campaigns, undertake fraud awareness activities with staff and the public, and maintain and update the Council's counter fraud framework and associated policies.
- 3 The purpose of this report is to update the Committee on counter fraud activity between 1 April 2021 and 31 August 2021.



## FRAUD MANAGEMENT

- 4 Veritau undertakes a range of non-investigative activity to support the development of counter arrangements at the Council. The Council's Counter Fraud Framework has been reviewed and updated for 2021/22. This includes a revised strategy action plan, and fraud risk assessment.
- 5 Raising awareness of fraud is an important function of the counter fraud team, amongst Council staff and the public. Fraud awareness training on whistleblowing is being delivered to staff. Specific sessions have targeted managers and included details on their role and responsibilities under the Council's policy.
- 6 Veritau continue to support the Covid-19 post-assurance group. The team works with officers to ensure that the Council meets the government mandated verification, investigation and recovery requirements for Covid-19 related grant payments.
- 7 Veritau attends the Yorkshire and Humber Fraud Investigation Group on behalf of the Council to share best practice and regional fraud threats.
- 8 In May 2021, the Council's counter fraud transparency data was updated to include data on counter fraud work in 2020/21, meeting the Council's obligation under the Local Government Transparency Code 2015.



## MULTI-AGENCY WORK

- 9 Work on the 2020/21 National Fraud Initiative is ongoing. Over 300 matches have been produced during the current exercise, including matches relating to Covid-19 grant payments. The counter fraud team

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<sup>1</sup> Annual Fraud Indicator 2017, Crowe Clark Whitehill

provides support to the council officers addressing the data matches. Instances of suspected fraud will be considered for investigation.

- 10 The Council respond to requests for information from the Department for Work and Pensions (DWP) who investigate Housing Benefit fraud. In cases where council tax support is in payment, the counter fraud team can jointly investigate with DWP counterparts. No joint working cases have been identified to date.

## INVESTIGATIVE WORK

- 11 In 2021/22, the team has received 33 referrals of suspected fraud. These cover areas including council tax, council tax support, business rates and Covid-19 support payments.
- 12 There are currently 18 cases under investigation. In addition, two Covid-19 support payments are being verified by the counter fraud team.
- 13 During the pandemic, the counter fraud team has established practices to conduct interviews under caution using video conferencing. This will allow interviews to be conducted remotely where in the best interest of the Council and the member of the public (e.g. inability to attend Council offices).
- 14 A summary of investigation work is included in appendix A, below.

## APPENDIX A: SUMMARY OF INVESTIGATION ACTIVITY

Activity to date includes the following:

|  | <b>2021/22<br/>(As at 31/08/21)</b> | <b>2021/22<br/>(Target: Full Yr)</b> | <b>2020/21<br/>(Actual: Full Yr)</b> |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| Amount of actual savings (quantifiable savings - e.g. repayment of loss) identified through fraud investigation  | £4,194                              | £16,000                              | £4,741                               |
| % of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked) | 64%                                 | 30%                                  | 29%                                  |
| Amount of savings from the prevention of Covid-19 grant fraud  | £5,681                              | n/a                                  | £140,000                             |

Caseload figures for the period are:

|                                       | <b>2021/22<br/>(As at 31/08/21)</b> | <b>2020/21<br/>(Full Year)</b> |
|---------------------------------------|-------------------------------------|--------------------------------|
| Referrals received                    | 33                                  | 37                             |
| Number of cases under investigation   | 18                                  | 22 <sup>2</sup>                |
| Number of investigations completed    | 11                                  | 22                             |
| Number of verification case completed | 2 <sup>3</sup>                      | 9                              |

<sup>2</sup> As at the end of the financial year (i.e. 31/03/2021)

<sup>3</sup> The cases related to Covid-19 grant applications.

### Work completed or in progress

The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the Council. Activity completed in 2021/22 includes the following:

- **Covid-19 related fraud** – Eight reports of Covid-19 related fraud have been received to date. Five Covid-19 grant applications have been investigated which resulted in a payment of £4.7k being stopped, and recovery of over £900. One investigation identified a scam which was reported to the National Anti-Fraud Network. Warnings have been issued to three business in relation to grant payments. There are five ongoing investigations.
- **Council Tax Reduction fraud** – The team has completed three investigations into council tax reduction fraud and there are currently four investigations ongoing. One person have been issued with a formal warning. 15 referrals for council tax reduction fraud have been received to date in 2021/22.
- **Council Tax Fraud** – Eight referrals for council tax fraud have been received to date. Three investigations have been completed in this area and nine are ongoing. One person has been issued with a warning in relation to receiving a Single Person Discount incorrectly.
- **NNDR fraud** - Two business rate fraud referrals has been received this year. There are no cases ongoing in this area.
- **Internal fraud** – No internal fraud referrals have been received in 2021/22 to date.

## Hambleton District Council

**Report To:** Audit, Governance and Standards Committee

**Date:** 5 October 2021

**From:** Interim Director of Finance (s151 officer)

**Subject:** **Counter Fraud Framework Update**

**Portfolio Holder:** Governance  
Mrs I Sanderson

**Wards Affected:** All Wards

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All Wards

### **1.0 Purpose**

1.1 The purpose of the report is present a review of the Council's counter fraud framework, update the counter fraud strategy action plan, and present a revised fraud risk assessment.

### **2.0 Background**

2.1 Veritau deliver a corporate counter fraud service to the Council which aims to address all areas of fraud that it might experience. The counter fraud team undertake proactive work to prevent and detect fraud such as raising awareness and providing training to members of staff. The team responds to concerns of fraud raised internally, by the public, from outside agencies, and through data matching exercises. The team is responsible for making sure the Council's response to fraud remains robust. This includes maintenance of the counter fraud framework to ensure processes are in place to prevent, detect and deter fraud. The framework is reviewed annually. A summary of the latest review is included in Annex 1. This includes updates to the fraud risk assessment and counter fraud strategy action plan.

### **3.0 Link to Council Priorities**

3.1 The work of the counter fraud team supports the overall aims and priorities of the Council by helping to minimise losses through fraud and error.

### **4.0 Risk Assessment**

4.1 There are no risks associated with this report.

### **5.0 Financial Implications**

5.1 There are no direct financial implications due to the report.

## **6.0 Legal Implications**

6.1 There are no legal implications associated with the recommendations in the report.

## **7.0 Equalities and Diversity Issues**

7.1 There are no equalities or diversity issues associated with the report.

## **8.0 Recommendations**

8.1 Members are asked to note the Council's updated counter fraud framework with associated action plan and note the updated Counter Fraud Risk Assessment.

Noel O'Neil  
Interim Director of Finance (s151 Officer0

**Background papers:** None

**Author ref:** DC

**Contact:** Daniel Clubb; Corporate Fraud Manager; Veritau Group  
[Daniel.clubb@veritau.co.uk](mailto:Daniel.clubb@veritau.co.uk)



# COUNTER FRAUD FRAMEWORK REPORT

5 October 2021



## ANNEX 1

Corporate Fraud Manager: Daniel Clubb

Head of Internal Audit: Max Thomas



## INTRODUCTION

- 1 Fraud is a significant risk to the UK public sector. Losses to local government due to fraud results in less funding being available to deliver services. The latest annual fraud indicator estimates that the cost of fraud against local authorities is as much as £7.8 billion annually.<sup>1</sup> An estimated 40% of all crime committed in the UK is categorised as fraud.<sup>2</sup>
- 2 To effectively combat fraud the Council needs to have a counter fraud framework that helps it prevent, detect and deter fraud. And counter fraud work needs to continuously develop to address the ongoing emergence of new techniques being developed by fraudsters.



## NATIONAL PICTURE

- 3 Local authorities have been responsible for the administration of a number of schemes designed to support businesses and the public during the pandemic. No reports into the level of loss found in local authority administered schemes have been published, but the Department for Business, Economy and Industrial Strategy (BEIS) conclude that as councils deal with fraud on a day to day basis that they will have been more equipped to deal with fraud arising from these schemes.<sup>3</sup>
- 4 The Covid-19 pandemic has created additional opportunities for fraudsters to attack public sector organisations, private businesses, and members of the public. In March 2021, the National Audit Office (NAO) reported a significant rise in the risk fraud and error due Covid-19.<sup>4</sup>
- 5 The government has acknowledged the speed with which fraudsters adapt to exploit organisations' weaknesses. To better tackle the evolving threat, an improved national fraud and cybercrime reporting system will be introduced to replace Action Fraud.<sup>5</sup> Cooperation and intelligence sharing between national and local agencies will help combat fraud.
- 6 Cybercrime remains a significant risk to all organisations, public and private. High profile attacks across the UK and worldwide have continued throughout the pandemic, and cybercriminals have shown disregard for the effects of their actions. An attack in the United States in May 2021 stemmed from a single compromised password and account, and resulted in the company involved paying a ransom of over £3 million. This highlights the need for staff and Members to be cybersecurity aware.
- 7 Supply chain attacks have also become prevalent in the last 12 months. These attacks occur when a software or IT supplier is targeted and criminals use the knowledge they gain to attack the end users of the company's software. Several high profile attacks in 2020 resulted in government departments in the United States, the UK, and Europe being

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<sup>1</sup> Annual Fraud Indicator 2017, Crowe Clark Whitehill

<sup>2</sup> Public Accounts Committee Report – Fraud and Error, June 2021, HM Government

<sup>3</sup> Public Accounts Committee Report – Fraud and Error, June 2021, HM Government

<sup>4</sup> Economic Crime Plan 2019-22 HM Government

<sup>5</sup> Beating Crime Plan 2021

affected. This included unauthorised access to email accounts and confidential documents, leading to data breaches. It's essential that oversight of organisational ICT infrastructure is maintained to ensure controls remain up to date and able to reduce the impact of emerging threats.



## LOCAL PICTURE

- 8 The Council has been responsible for administering over £50.5 million of support payments to business and residents during the Covid-19 pandemic. Robust application processes and verification checks were established to minimise the impact of fraudulent attempts to claim funds. Veritau has supported the Council through investigation of suspected fraudulent claims. A working group of Council officers receives support from Veritau to review and investigate cases of potential fraud. This work continues in 2021/22.
- 9 Raising fraud awareness with staff is key to identifying and tackling fraud. Veritau continues to engage staff and investigate reported allegations of fraud. This year activity includes training being delivered to staff about the Council's whistleblowing policy, and messages to all about cybersecurity awareness.



## COUNTER FRAUD FRAMEWORK

- 10 The Council has a robust counter fraud framework which includes a counter fraud strategy and associated action plan, a counter fraud policy, a fraud risk assessment, and a number of related policies (e.g. whistleblowing). A review of the framework is conducted annually.
- 11 A new counter fraud and corruption strategy was adopted last year. The strategy sets out the Council's aims for counter fraud work between 2020 and 2023. The strategy also includes actions needed to maintain and develop counter fraud arrangements at the Council. The associated strategy action plan is reviewed and updated annually. This year's update is contained in appendix A. It details progress made against last year's plan and introduces new priorities for the counter fraud team in 2021/22. New objectives this year include:
  - Continuing the good practice developed during Covid-19 grant administration to share intelligence that supports fraud prevention.
  - Working with the Council's communications team to develop a plan to deliver counter fraud and corruption news regularly to Council staff.
- 12 A new counter fraud and corruption policy was adopted last year. No updates are currently required.



## FRAUD RISK ASSESSMENT

- 13 It is recognised good practice for councils to assess their risk of fraud on a regular basis. An updated fraud risk assessment is contained in appendix B.
- 14 Covid-19 related fraud has been downgraded as a result of the high value payments seen in 2020/21 coming to an end. New cases of grant fraud may be identified through the National Fraud Initiative which includes cross boundary data matches which have not been previously available to local authorities. The Council is responsible for attempting to recover incorrectly paid grants.
- 15 Theft of assets has also been downgraded from a high risk to a medium risk. This is a result of the easing of Covid-19 related restrictions and increased staff presence at Council premises.
- 16 The risk assessment highlights areas of work to be undertaken by the internal audit and counter fraud teams (e.g. fraud awareness training) in addition to actions included in the counter fraud and corruption strategy action plan.

## APPENDIX A: COUNTER FRAUD STRATEGY ACTION PLAN

Veritau have responsibility for maintaining, reviewing, and strengthening counter fraud arrangements at the Council. This includes an annual review of the Council's counter fraud policy framework.

We also introduced a number of other actions which will continue going forward, including:

- A rolling programme of fraud awareness training for officers based on priorities identified through the fraud risk assessment and any emerging issues
- Regular reporting of counter fraud activity to the Governance Committee.

### New one off and developmental activity:

| Ref | Action Required   | Target Date    | Responsibility                | Notes  |
|-----|---|----------------|-------------------------------|--|
| 1   | Develop communication strategy to publicise counter fraud and corruption news internally.           | March 2022     | Veritau / Communications Team | Liaise with the communications team to ensure that members of staff are regularly kept informed of counter fraud news and developments.  |
| 2   | Participate in Fighting Fraud and Corruption Locally working groups.                                | September 2022 | Veritau                       | Attend regional and national working groups and report developments to the Audit, Governance and Standards Committee.  |
| 3   | Counter fraud team to be consulted to fraud proof new Council policies, strategies, and initiative. | September 2022 | Veritau / service departments | New policies, strategies and initiatives discussed with the team will be reviewed to ensure suitable counter fraud measures are considered. The outcomes of these reviews will be reported to the committee. |

| Ref | Action Required   | Target Date    | Responsibility | Notes  |
|-----|---|----------------|----------------|--|
| 4   | Increase sharing of counter fraud intelligence to enhance fraud prevention.       | March 2022     | Veritau        | Veritau to promote sharing of counter fraud intelligence from regional and national forums.              |
| 5   | Deliver fraud awareness training to staff on the Council's whistleblowing policy. | September 2022 | Veritau        | Specific sessions will be aimed at managers to explain their role and responsibilities under the policy. |

### Completed activities:

| Ref | Action Required  | Responsibility                | Update  |
|-----|--|-------------------------------|---|
| 1   | Undertake post assurance checks on grant applicants to the Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund Schemes. | Veritau / Revenues Department | Post-assurance report finalised in April 2021. A sample of Covid-19 related payments were reviewed for fraud and error. The report found that the Council had paid grants correctly and in line with Government guidance. |
| 2   | Create a new data protection impact assessment to enable further data matching at the Council.   | Veritau                       | A data protection impact assessment template has been developed for use in future data matching activity.   |
| 3   | Explore joint working arrangements with the Department for Work and Pensions and evaluate potential benefits for the Council.                | Veritau                       | Department for Work and Pensions investigators were redeployed during the pandemic. Officers are returning to duties and relevant cases are considered for joint working.   |

| Ref | Action Required  | Responsibility  | Update  |
|-----|--|---|---|
| 4   | Ensure that up to date policies are in place to enable the Council to undertake covert surveillance under the Regulation of Investigatory Powers Act and employee monitoring outside of the Act. | Veritau / Legal Department                                  | The Director of Law and Governance (Monitoring Officer) confirms that updates were made to the council's policies following an inspection by the Investigatory Commissioner's Office. |
| 5   | Establish a process for use of new powers under the Investigatory Powers Act.  | Veritau / Legal Department                                  | The Director of Law and Governance (Monitoring Officer) confirms that updates were made to the Council's policies following an inspection by the Investigatory Commissioner's Office. |
| 6   | Fraud risk to be considered in the Council's corporate risk register.  | Veritau (Director of Finance and Commercial (s151 Officer)) | The corporate risk register has been updated to include fraud as a risk.  |

## Appendix B: Fraud Risk Assessment (September 2021)

| Risk Area  | Risk Description   | Risk Controls   | Risk Category | Risk Mitigation   |
|--|--|---|---------------|---|
| Council Tax & Business Rates Frauds (discounts and exemptions) | <p>Council Tax fraud is a common occurrence. CIPFA report that 66% of all local government related fraud, recorded as part of their annual survey, involved Council Tax or Business Rates payments. Single Person Discount fraud accounted for £28.9m of loss due to fraud in 2019/20 according to the survey.</p> <p>Depending on the scheme, there are several ways in which fraud can occur. These include applicants providing false information and recipients failing to notify the Council when they no longer qualify.</p> <p>Revenue from Council Tax and Business Rates is a key income stream. Fraud in this area threatens this source of funding.</p> | <p>The Council employs a number of methods to help ensure only valid applications are accepted. This includes requiring relevant information on application forms, visits to properties (where necessary) and an annual canvass requiring businesses to confirm that they continue to be entitled to a discount or exemption.</p> <p>Collection rates are compared against targets as a potential indicator of fraud. Controls including separation of duties between collection and administration, restriction of access to records and management oversight of action such as recovery suppressions help prevent internal fraud and error.</p> <p>Messages reminding residents and businesses to update their circumstances when necessary appear on annual bills issued by the Council.</p> <p>The Council routinely takes part in the National Fraud Initiative.</p> | High          | <p>The counter fraud team delivers periodic fraud awareness training with staff in revenues, and customer services about frauds affecting Council Tax and Business Rates.</p> <p>A revenues and benefits audit is planned to take place in 2021/22.</p> |
| Council Tax Support Fraud                                      | Council Tax Support is a council funded reduction in liability introduced in 2013 to replace Council   | The Council undertakes eligibility checks on those who apply for support. There are established lines of  | High          | The counter fraud team routinely raises awareness of fraud with staff processing  |

| Risk Area      | Risk Description  | Risk Controls  | Risk Category | Risk Mitigation   |
|----------------|---|--|---------------|---|
|                | <p>Tax Benefit. Unlike its predecessor, it is resourced entirely through Council funds. CIPFA's latest national fraud tracker showed the estimated total value of Council Tax Support fraud is £4.9m.</p> <p>Frauds in this area can involve applicants failing to declare their total assets, correct household composition or household income. Those receiving support are also required to notify relevant authorities when they have a change in circumstances that may affect their entitlement to support.</p> <p>The Department for Work and Pensions have reported an increase in fraud within the Universal Credit system during 2020/21 as a result of Covid-19. As Council Tax Support claims are linked to Universal Credit claims there is likely to be an associated increase in fraud against the Council.</p> <p>Fraudulently obtained Council Tax Support represents a loss of Council funds.</p> | <p>communication with the Department for Work and Pensions where claims for support are linked to externally funded benefits.</p> <p>The Council is able to report Housing Benefit and other benefit frauds to the Department for Work and Pensions but this does not necessarily allow the Council control over resolving false claims for Council Tax Support.</p> |               | <p>claims for Council Tax Support.</p> <p>Concerns of fraud are reported to the counter fraud team who determine if criminal investigation is required. The counter fraud team can undertake joint working with the Department for Work and Pensions where it is mutually beneficial (e.g. joint claims for benefit).</p> <p>A revenues and benefits audit is planned to take place in 2021/22.</p> |
| Creditor Fraud | A range of frauds can be committed against the Council as a result of   | The Council has a number of controls in place to identify fraudulent   | High          | The counter fraud team undertakes work to raise staff   |

| Risk Area  | Risk Description  | Risk Controls  | Risk Category | Risk Mitigation   |
|------------|---|--|---------------|---|
|            | <p>publically available creditor payment data. Criminals undertaking these types of fraud are often found to be operating from overseas.</p> <p>The most common issue is mandate fraud where fraudsters impersonate legitimate suppliers and attempt to divert payments by requesting changes in bank details. Other types of fraud in this area include whaling, where senior members of the Council are targeted and impersonated in order to obtain fraudulent payments.</p> <p>With increased remote working due to Covid-19, there have been increased opportunities for fraudsters to impersonate budget holders or suppliers in electronic communications to divert funds.</p> | <p>attempts to divert payments from genuine suppliers and to validate any requests to change supplier details. This includes contacting companies to confirm that any requested change of bank account details for payments is genuine.</p> <p>A Creditors audit in 2020/21 resulted in a reasonable assurance opinion. Suitable controls were in place regarding payments and changes to payee details.</p> |               | <p>awareness of these types of frauds. Increased awareness provides greater chances of stopping fraudulent attempts before losses occur. Awareness sessions with finance staff have been booked for November 2021.</p> <p>All instances of whaling fraud reported to counter fraud team will be reported to the relevant agencies, such as the National Cyber Security Centre, as well as directly to the email service provider hosting the account where the false emails originated from.</p> <p>A Creditors audit is planned for 2021/22.</p> |
| Cybercrime | <p>Cybercrime is a constantly evolving area where criminals are continually refining their techniques in order to overcome controls put in place to protect organisations, to obtain unauthorised access and information, and to frustrate systems.</p> <p>Types of cybercrime experienced by</p>   | <p>The Council has a highly skilled ICT department which helps mitigate the threat of cybercrime. In the event of a ransomware attack it is important that the Council is able to recover a backup of their systems.</p>   | High          | <p>Raising awareness with staff can be crucial in helping to prevent successful cyberattacks. Any counter fraud training delivered will reinforce cybersecurity messages to members of staff.</p> <p>ICT governance and cybersecurity feature on the 2021/22 internal audit plan.</p>   |

| Risk Area         | Risk Description  | Risk Controls   | Risk Category | Risk Mitigation  |
|-------------------|---|---|---------------|--|
|                   | <p>local authorities in recent years include ransomware, phishing, whaling, hacking, and denial of service attacks. Attacks can lead to loss of funds, systems access and data, impacting service delivery.</p> <p>There have been a number of high profile cyberattacks on public and private sector organisations in the last 12 months. Attacks stemming from the hacking of software or IT service providers have become more prevalent. These are known as supply chain attacks and are used by hackers to target the clients of these types of companies.</p> |   |               | <p>An awareness campaign is planned for cybersecurity awareness month in October.</p>  |
| Procurement Fraud | <p>Procurement fraud has been perceived as a high risk by local authorities in the CIPFA fraud tracker for a number of years.</p> <p>Procurement fraud, by its nature, is difficult to detect but can result in large scale loss of public funds over long periods of time. The Competition and Markets Authority (CMA) estimates that having a cartel within a supply chain can raise prices by 30% or more.</p> <p>CIPFA reported losses of £1.5m in</p>  | <p>The Council has established Contract Procedure Rules. The rules are reviewed regularly and ensure the requirement for a competitive process (where required) through an e-tender system. A team of procurement professionals provide guidance and advice to ensure that procurement processes are carried out correctly.</p> <p>A tendering and evaluation framework is in operation to help prevent fraud. It also sets out the requirements for declarations of interest to be made.</p> | High          | <p>Continued vigilance by relevant staff is key to identifying and tackling procurement fraud. The counter fraud team will continue to provide training to raise awareness of fraud risks in this area.</p> <p>The counter fraud team and internal audit will monitor guidance on fraud detection issued by the Competition and Markets Authority and other relevant bodies.</p> |

| Risk Area                     | Risk Description  | Risk Controls  | Risk Category | Risk Mitigation  |
|-------------------------------|---|--|---------------|--|
|                               | <p>2019/20 for local authorities, due to procurement fraud. It found that 8% of fraud detected in this area involved 'insider fraud'.</p> <p>The Ministry of Housing, Communities and Local Government (MHCLG) published a report in June 2020 regarding the risks of procurement fraud in local government. It recommended a series of actions to identify, record and tackle procurement fraud.</p> | <p>Contract monitoring arrangements are in place which will help to detect and deter fraud.</p>  |               | <p>Potential abuses of the supplier relief should be reported to the counter fraud team for further investigation.</p> <p>The Council implements a number of the actions suggested in the June 2020 Ministry of Housing, Communities and Local Government report. These, include contract monitoring, risks assessments, establishing a counter fraud and corruption culture, and having counter fraud capacity for investigation. Raising fraud awareness is also a priority for the counter fraud team.</p> <p>Audit work in procurement and contract management is being considered in 2021/22.</p> |
| <p>COVID-19 related fraud</p> | <p>Throughout the Covid-19 pandemic local authorities have been responsible for providing support to businesses and residents. The Council had to respond quickly to deliver a number of support schemes in 2020/21. New processes for verifying applications had to be implemented very quickly.</p>   | <p>Over the course of 2020/21 the Council developed robust processes to identify fraudulent applications for support. This included use of national data matching resources.</p> <p>A working group comprising council officers and Veritau have met to review ongoing fraud cases and</p> | <p>Medium</p> | <p>Any instances of fraud are investigated by the counter fraud team. Where payments were found to have been fraudulently or incorrectly made a recovery process was instigated.</p> <p>Veritau conducted a post-event assurance exercise at the end of</p>  |

| Risk Area      | Risk Description   | Risk Controls  | Risk Category | Risk Mitigation  |
|----------------|--|--|---------------|--|
|                | <p>These schemes have been subject to attempted fraud at a local, national and international level due to the significant amount of funding available.</p> <p>While funding was provided by central government, the Council was charged with the responsibility of identifying genuine applicants and investigating and recovering incorrect payments.</p>   | <p>review government guidance on assurance requirements.</p> <p>The counter fraud team shared details of all known frauds occurring regionally and nationally.</p> <p>Government mandated post-assurance activities have been undertaken to review the success of controls in place.</p>               |               | <p>2020/21 which reviewed payments to businesses made during the first lockdown period. The exercise concluded that the vast majority of payments sampled had been made correctly and in line with government guidance.</p> <p>The counter fraud team still has a number of investigations ongoing and the results of a National Fraud Initiative data matching exercise are being reviewed.</p> |
| Internal Fraud | <p>There are a range of potential employee frauds including falsifying timesheets and expense claims, abusing flexitime or annual leave systems, undertaking alternative work while sick, or working for a third party on Council time. Some staff have access to equipment and material that may be misused for private purposes.</p> <p>With increased staff working remotely, working hours and associated claims may be more difficult to monitor. It is essential</p> | <p>The Council has an established whistleblowing policy which is periodically reviewed.</p> <p>Controls are in place surrounding flexitime, annual leave and sickness absence.</p> <p>Participation in the National Fraud Initiative helps the Council identify potential cases of internal fraud.</p> | Medium        | <p>Training sessions on the Council's whistleblowing policy are being delivered to staff in 2021/22. This includes specific advice on the role and responsibilities of managers.</p> <p>The counter fraud team can investigate any suspicions of corruption while internal audit ensure that appropriate checks and balances are in place to help prevent it.</p>                                |

| Risk Area         | Risk Description   | Risk Controls   | Risk Category | Risk Mitigation   |
|-------------------|--|---|---------------|---|
|                   | <p>that these issues are tackled as they can cause reputational damage and affect staff morale and performance.</p> <p>Payroll related fraud can involve the setting up of 'ghost' employees in order to divert salary payments to others.</p> <p>Corruption and bribery is a significant risk to all public sector organisations, however, only low levels have ever been detected.</p> |   |               |   |
| Recruitment Fraud | Recruitment fraud can affect all organisations. Applicants can provide false or misleading information in order to gain employment such as bogus employment history and qualifications or providing false identification documents to demonstrate the right to work in the UK.   | The Council has controls in place to mitigate the risk of fraud in this area.   | Medium        | Where there is a suspicion that someone has provided false information to gain employment, the counter fraud team will be consulted on possible criminal action in tandem with any disciplinary action that may be taken. |
| Theft of Assets   | The theft of assets can cause financial loss and reputational damage. It can also negatively impact on employee morale and disrupt the delivery of services. The Council owns large numbers of physical items, such as IT equipment, vehicles and tools.   | <p>Specific registers of physical assets (e.g. capital items, property and ICT equipment) are maintained.</p> <p>The Council's whistleblowing arrangements provide an outlet for reporting concerns of theft.</p> | Medium        | Members of staff should also be vigilant and report all possible thefts promptly to the Police and counter fraud team.  |

| Risk Area                   | Risk Description  | Risk Controls   | Risk Category | Risk Mitigation |
|-----------------------------|---|---|---------------|-----------------|
|                             | The reduction of staff at Council premises during the Covid-19 outbreak increased the risk of theft. This risk has started to reduce as restrictions lift and staff return to the office. |   |               |                 |
| Fraudulent Insurance Claims | The Council may receive exaggerated or fabricated insurance claims. CIPFA's 2019/20 report estimated that insurance fraud cost local government £3.9m.                                    | While insurance fraud is common, the burden of risk is currently shouldered by the Council's insurers who have established fraud investigation systems. | Low           | n/a             |

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