MEETING:	Audit and Governance Committee
DATE:	Wednesday, 17 March 2021
TIME:	4.00 pm
VENUE:	THIS MEETING WILL BE HELD VIRTUALLY

SUPPLEMENTARY AGENDA

Items for Discussion/Decision

3.   Annual Governance Statement 2019/20 Action Plan Update *(Pages 3 - 16)*

4.   Strategic Risk Register Update *(Pages 17 - 22)*

5.   Draft Risk Management Policy Statement and Framework *(Pages 23 - 34)*

6.   Confidential Reporting (Whistleblowing) Annual Report *(Pages 35 - 38)*

7.   Internal Audit Progress Report *(Pages 39 - 50)*

8.   Corporate Anti-Fraud Progress Report *(Pages 51 - 56)*

9.   Corporate Anti-Fraud Strategy 2021-2024 *(Pages 57 - 68)*

12.   Exclusion of the Public and Press

        To consider if the public and press should be excluded from this meeting during consideration of the following items because of the likely disclosure of exempt information.

13.   Draft Internal Audit Plan 2021/22 *(Pages 69 - 74)*

        Reason restricted:
        Paragraph (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

To: Chair and Members of Audit and Governance Committee:-

        Councillors Richardson, Barnard, P. Birkinshaw and Lofts (Chair); together with Independent members Ms K Armitage, Ms D Brown, Mr S Gill, Mr P Johnson and Mr M Marks

        Sarah Norman, Chief Executive
        All Executive Directors
        Shokat Lal, Executive Director Core Services
        Neil Copley, Service Director Finance (Section 151 Officer)
        Rob Winter, Head of Internal Audit and Corporate Anti-Fraud
        Ian Rooth, Head of Financial Services
        Alison Salt, Corporate Governance and Assurance Manager, Internal Audit Services
        Michael Potter, Service Director Business Improvement and Communications

        Council Governance Unit – 3 copies

Please contact William Ward on email governance@barnsley.gov.uk

10th March, 2021

Report of Head of Internal Audit, Anti-Fraud and Assurance

Audit and Governance Committee – 17 March 2021

ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2019/20

1. **Purpose of the report**

1.1   This brief report supports the action plan relating to the issues identified following the Annual Governance Review (AGR) for 2019/20. The action plan is attached as Appendix 1 to this report and was approved alongside the Annual Governance Statement (AGS) by the Audit and Governance Committee at the 28 October 2020 meeting.

2. **Recommendation**

2.1   **It is recommended that the Audit and Governance Committee considers the progress made against each item listed in the action plan and seeks any explanations regarding any aspects of the progress detailed from the named action owner.**

3. **Action Plan Update**

3.1   The action plan is used to track the progress of the actions identified as necessary to deal with the issues raised through the AGR process.

3.2   Progress against most of the actions have been completed or are on target to be completed. Where there are delays or changes to planned actions the reasons for these are explained in the plan.

4. **Background Papers**

4.1   Previous Audit and Governance Committee reports covering the Annual Governance Review process and the 2019/20 Annual Governance Statement.

Contact Officer: Corporate Governance and Assurance Manager
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Date: 3rd March 2021

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Barnsley MBC – Annual Governance Statement 2019/20 - Action Plan

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
Risk Management		**Fundamental review of the approach to risk management and governance assurance**				
		Strategic risk register review	New approach designed and then agreed by SMT	October 2019	Rob Winter/Alison Salt	Completed
			Workshop session held with SMT to identify new strategic risks	August 2020	Rob Winter/Alison Salt	Completed
			New SRR populated onto new RM system	31/10/20	Alison Salt	Completed
			Establish SMT review and monitoring schedule	31/10/20	Alison Salt	Completed - To be routine part of SMT quarterly review of performance
		Revised RM Policy and Procedures	Prepare revised RM Policy and Procedures to support the new approach	31/03/20	Rob Winter/Alison Salt	Policy Statement and Approach developed for A&G comment
			Approval through Audit and Governance Committee and Cabinet	30/04/21	Rob Winter/Alison Salt	On track
		Training and Support	Development of training material for inclusion on the POD system	30/04/21	Rob Winter/Alison Salt	Training materials to be developed with IT colleagues
		Roll-out of new approach for Operational and Project risk management	Communication and training plan for HoS supported by guidance and POD training	31/03/21	Rob Winter/Alison Salt	On track
		Re-introduction of a specific fraud risk assessment process as part of the new approach	Design and roll-out of fraud risk assessment tool for use by HoS / SDs	31/03/21	Joanne Race	Completed - Fraud risk assessments undertaken with all BU's

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
Information Governance		**Security Breaches and Losses** - Most Business Units had had some security breaches which had been dealt with using the procedures. A number reported losses of equipment. There may be a need to reassess training and supervision in teams in relation to security breaches and consider if any were repeat offences.				
		Phishing awareness Phishing tests were recognised as useful and there may be a requirement for further staff training.	Phishing exercise completed end of August 2020. Training – currently being rolled out to staff who failed the recent phishing exercise (August 2020).	Roll-out w/c 5th October to be completed by 13th November 2020	Simon Marshall	Training completed, this was made available to all staff
			Further roll-out of the training to all staff.	Mid November to end December 2020	Simon Marshall	Rolled out via Keep Barnsley Moving staff newsletter
			Next phishing exercises planned: November 2020 and December 2020 To complete phishing exercises every 3 months following the above	November, December 2020 3-monthly	Simon Marshall	Rolled out March 2021
			Devising phishing dashboard along with BI. This will identify trends etc in BU's so that action can be taken	December 2020	Simon Marshall / BI Team	Planned - work continuing
		Training and awareness	Training plan for coming year – the training suite contains a variety of	Commenced September	Simon Marshall	In progress - planned end date

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
		Most Business Units had had some security breaches which had been dealt with using the procedures. A number reported losses of equipment. There may be a need to reassess training and supervision in teams in relation to security breaches and consider if any were repeat offences Need to reinforce/review information security training for staff	courses, micro modules, guides, articles and other resources to roll out to employees. This is supported by targeted communications – reminders – relevant topics pertinent at the time (e.g. following an incident or an area of weakness identified) – via corporate communications, IG intranet. Also supported by IG 'attendance' at Directorate meetings and events e.g. extended DMT's on a regular basis and drop-in sessions (when possible)	2020. Plan extended until December 2021		December 2021
			Directorates to reinforce IG/IS training and awareness – incorporate specifically into PDR's, supervisions and team meetings.	April – June 2021	Simon Marshall	Progressing
			The tools available are very limited – e.g. POD and major resources required from IG/IS. To explore more robust technical methods of rolling out training e.g. Metacompliance / POD replacement / Success Factors	August 2021	Simon Marshall (Metacompliance)	Metacompliance Contract cancelled as product not fit for agile / homeworking
				February 2022	Workforce Development Team	Timeline for Success Factors Phase 2 (learning and development) has now slipped date revised to Feb 2022.
		Monitoring of incidents data	Power BI data is 'live' data on IG and IS incidents. SD's and HoS need to take	December 2020 to	Simon Marshall	On track – dashboards created

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
		There may be a need to reassess training and supervision in teams in relation to security breaches and also consider if any were repeat offences.	ownership and regularly monitor the data so that they are aware of incidents in their Directorate, repeat offenders etc. IG to plan awareness session across all BU's DMT's to raise awareness of Power BI and to identify any support needed	January 2021		to be completed by end February 2021 IG meetings planned throughout March 2021 to raise awareness via DMT's
		Home working	Home working – data security – training rolled out by IG (as at 2nd October 2020 approximately 240 staff not completed the training). SD's to reinforce that the training is mandatory and ensure all staff have completed.	October 2020 October 2020	Diane Arkwright /Simon Marshall Service Directors	Completed Completed
		Account deletion The deletion of accounts or system changes these are not always actioned in a timely manner.	Managers have responsibility to let service desk know in a timely manner, regular reports are run, and SD receive report and they then close down the accounts.	September 2020	HoS update sent out last 29/09/20 to remind of process and responsibility within Policy.	Completed
		Single sign-on Lack of single access passwords – barriers and frustrations in place for people to be able to do their jobs. Variety of different HR systems	Reviewed at every procurement of IT systems. Not always possible. IT is working towards single sign-on for all systems. However reliant on suppliers.	Ongoing – this will be reviewed as part of all new IT procurements	Sara Hydon, Head of IT (Service Management)	In progress
		Use of memory sticks - There is the occasion whereby the use of memory	IS currently reviewing options – e.g. blocking all USB drives for memory	On hold due to Covid-19 as	Sara Hydon, Head of IT (Service	On hold due to Covid-19 as would

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
		sticks has been authorised on an individual basis, the users with access to use USB memory sticks is documented but not the physical memory sticks	sticks or enforcing encryption on memory sticks.	would cause disruption	Management)	cause disruption
		Brexit – • General need to ascertain which countries providers/suppliers to the Council may store data in • General concern that further understanding is required regarding Data Handling/ Sharing / Transferring.

Thoughts on the areas for consideration/improvement drawn out from the review process and thoughts on how action plans can be programmed to take forward work to improve governance in these areas going forwards | The EU Transitions Group are continually reviewing Brexit guidance and are holding regular meetings. Specifically, IG will carry out the following:

The IG team to contact every Directorate SD to ascertain if there are any data flows outside of the UK in preparation for the Brexit decisions. Once Brexit decisions are made the IG will work alongside services identified to ensure robust agreements (in whatever form UK / other countries agree) are in place to ensure safe sharing/transferring. | October 2020 to November 2020 | Simon Marshall | On track |
			The IS team have identified systems which are 'hosted' outside of the UK.	October 2020 to November 2020	Simon Marshall	Completed
			Follow up exercise with system suppliers to ascertain current position. Once clear IS Team will work with services to ensure continued access to data.	December 2020	Simon Marshall	Completed
FOI / SAR Compliance		**Fundamental review of the process to deal with Customer Complaints, FOI, SAR and EIR requests to improve timeliness**				
		Delay in responding to LGSCO enquiries	• Comprehensive review LGSCO	25/09/20	Kate Liddall	Completed

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
			Annual Letter • Deep dive six case failings • Identification of service delays / failings			
		Delay in dealing with customer complaint	• Comprehensive review complaint process / procedure	23/10/20	Kate Liddall	Completed
		Ineffective CFIIT management tracking system	• Implementation new performance management system • Migration old system into SharePoint Online • User Acceptance Testing • Implementation of system improvements • Development Power BI Performance Dashboards	30/10/20	Kate Liddall CFIIT IT Rob Winter Stuart Taylor	Completed
		Services failing to meet to statutory/corporate timescales	• Strengthened communication • Impress consequences • Regular attendance at DMT's • Performance discussed at SMT • Comms & Engagement Plan	In progress	Kate Liddall	In progress – regular meetings scheduled
Personal Development Reviews		**Further review of the PDR process, system and guidance to ensure improved compliance and quality of PDRs.**				
		• Technical difficulties were identified e.g. staff completing reviews using one network and then having to upload documentation onto another system. • The details of staff requiring a PDR are often incorrect when supplied to Heads of Service – data quality	Inaccuracy of reports relating to PDR completions – often a misunderstanding of managers and employees about the need to complete all stages of the process for it to be recorded in the system as completed. Amend the PDR PowerBI report to show the stage each PDR is at if not completed	August 2020	Kay Welbourne	Completed

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
		issues – information taken from POD and not always accurate – wrong coding issues • Systems and processes are not helpful – one team tried to start their PDR review process in March – the system doesn't allow this • Concerns going forwards about undertaking PDR's when staff are now predominantly home based – lack opportunity for face to face discussion – need to consider how to undertake these in the "new normal" • System should follow a structure timetable/calendar flow – e.g. February budget setting, March business planning, April PDR's • The review has identified that a further review of the PDR process should be undertaken.	Develop guidance on 121 / supervisions to promote ongoing performance conversations and move away from the concept of 'once a year' performance discussions. Include advice about undertaking 121 discussions virtually or, in exceptional circumstances, face to face but adhering to social distancing measures and the latest Government and Council guidance. We will also include this information in the revised PDR guidance.	November 2020	Kay Welbourne	Completed
			Undertake a full review and rebrand of the performance appraisal process aligned to the new council plan / MTFS / Smart Working	February 2022	Amanda Glew / Kay Welbourne	Success Factors (performance and goals) now due to be implemented Feb 2022
			Introduce an agreed timescale for the completion of PDRs linked to the business planning cycle	February 2022	Amanda Glew / Kay Welbourne	As above
			Implement Performance and Goals module within Success Factors which should address some of the technical / reporting issues being experienced with the Learning Pool solution	February 2022	Amanda Glew / Kay Welbourne	As above
Performance Management and Data Quality		**Further develop KPI's and service standards in some BU's**				
			Continue to develop service standards and KPI's with Business Units and ensure increased use of Power BI tools/reports as a routine part of	March 2021	Malachi Rangecroft	Ongoing

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
			business management			
Declarations of Interest		**Improve compliance with completion of annual forms and their subsequent availability and use**				
			Review of the process to ensure full compliance with the completion of the Declaration of Interests form and their subsequent availability and use	March 2021	Martin McCarthy/Rob Winter	To be incorporated as an Internal Audit to be scoped.
Managing Staff Absences		**Compliance with the Council's Managing and Supporting Attendance at Work Policy**				
		The absence management system doesn't help managers to proactively manage absences –the trigger form does not link with information on Fiori.	Comprehensive employee absence dashboard developed on Power BI launched to all managers on 1st August 2020 and includes: A replacement real time 'absence trigger' process to enable more timely absence discussions to take place. Breakdown of sickness absence measures to directorate and business unit level. New visuals for analysing absence patterns, by time, type, directorate and business unit. A manager-level view of all recorded absence in the team, including sickness, leave and other absence types. Post roll out review to be undertaken	December 2020	Janine Hollingsworth	Automation of update for KPI's tab in final stages of testing. Scheduled for completion and launch 31/3/21. Further post rollout review to be undertaken 12 months after launch August 2021.

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
			December 2020 to review effectiveness			
		Training and skills development may be required for managers to ensure they follow the process.

Room for BU to ensure consistency of approach in this area – ensuring competency and skills of managers are in place to manage attendance at work | As part of the development of the absence dashboard we have undertaken a number of training sessions for managers in how to use the dashboard along with a refresher on the councils managing attendance policy. 266 managers attended this training up to the point we went into lockdown.

114 managers have not been on the training so training session has been recorded and is available on POD so that these managers can trained and this will also be available as a refresher for managers who have already been on the training and any new managers who start with us moving forward.

Post roll out review to be undertaken December 2020 to review effectiveness | December 2020 | Janine Hollingsworth | Completed |
| | | Inconsistency in approaches adopted by Heads of Service. Check whether compliance maintained | HRBP's receive absence trigger emails which are then recorded on to the ER Tracker. HRBP's to follow up with services to ensure compliance with policy | Ongoing | HRBP's | Completed |
| **Safeguarding Awareness** | | **Need to reinforce who the Safeguarding Champions are (where appropriate) in other BUs (not Children's or Adults)** | | | | |

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
			Review the need for Safeguarding Champions within Business Units and general refresher awareness of safeguarding: • Appointment of Principal Social Worker • Review of Safeguarding Champions across BMBC by Principal Social Worker	March 2021 June 2021	Julie Chapman	Interviews planned for 1 March 2021 for the PSW post – to hopefully have in post for June 2021 PSW role to review as a priority when in post in June 2021
Partnership, Relationship and Collaboration Governance		**Need to develop a defined governance framework and improve reporting arrangements**				
			Review the governance arrangements and reporting requirements for partnerships and collaborations and develop a defined governance framework with a corporate lead for partnerships and collaborations.	March 2021	Martin McCarthy	Review being scoped to commence in April.
Equalities and Inclusion		**Review of profile and understanding of the Equalities and Inclusion agenda**				
		Some Business Units felt that the importance of the Equalities and Inclusion agenda had diminished in recent years. Reference was made to the emerging Black Lives Matter (BLM) movement and the need for BMBC to be cognisant of this, comments on this aspect of governance were: • Feels like the importance of this aspect of governance has been eroded. • Possibility to benchmark BMBC with other LA's on this? • Corporately BMBC had a recent	Revised equality and inclusion statement developed and loaded onto council internet site Develop Religious Observance guidance to raise awareness of the different religious or cultural beliefs and ensure individuals can fulfil these wherever possible Promote the availability of the courses 'The Uncomfortable Conversation' relating to Black Lives Matter as part of Black History Month in staff bulletins	September 2020 October 2020 October 2020	Helen Derbyshire Zahid Qureshie Kay Welbourne	Completed Completed Completed

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
		Equalities/Diversity Peer Review – this reflected very positively on the Council • Ongoing problem with demographic data for Equality Impact Assessments • Relook at training plans in relation to BLM – been conversations in teams on this issue – need to offer more training to social workers and managers over next 12 month. This may be something that corporately BMBC should address.	and on social media Source Unconscious Bias training and include within the council's E&I training offer	November 2020	Amanda Glew	Completed – UB POD Course – communication campaign see below
			Launch the training completions PowerBI dashboard which will show equality and inclusion training completed within business units and directorates with a view to increasing take up of these	November 2020	Kay Welbourne	Completed – dashboard being raised with directorate to increase completions
			Undertake research with other Local Authorities on E&I governance and benchmark where possible	December 20201	Helen Derbyshire	In progress – delay due to long term staff absence
			Develop a communication campaign relating to equality and inclusion to promote all the activities listed above	December 2020	Amanda Glew / Kay Welbourne	In progress – due for release Feb/March 2021 once details finalised. Renew Translation and Interpretation Supplier - finalised
			Implementation of Success Factors solution will help to improve the demographic data we hold relating to employees	Nov/Dec 2022	Helen Derbyshire	In progress Success Factors delayed until end of year. No interim solution available for data collection.

Governance Area		Issue Identified	Actions	Timescales	Responsible Officer	Current Status
			Develop an equality and inclusion action plan (action included in the Organisation Development Strategy)	March 2021	Helen Derbyshire	In progress – will support new People Strategy
Monitoring Officer role awareness		**Ensure awareness of role of Monitoring Officer given staff changes**				
			Ensure the awareness of the role of the Monitoring Officer following recent staff changes – communication to all staff across BMBC	October 2020	Martin McCarthy	Completed

Audit and Governance Committee – 17th March 2021

STRATEGIC CONCERNS / RISK REGISTER

1.   Purpose of the report

1.1   To provide an update on development of the Strategic Concerns / Risk Register, and to propose that at future meetings there will be an opportunity for a "deep dive review" of specific strategic risks with the appropriate Executive Director in attendance to update and assure the Committee on the management of their risks.

2.   Recommendation

2.1   The Committee is asked to note the update, consider the current strategic concerns/risks and approve the proposed approach for the Committee to obtain assurances regarding the management of strategic concerns and risks.

3.   Current Position

3.1   The Strategic Risk Register currently contains 13 risks. Using the new system of risk assessment, SMT have determined that 11 risks be classified as *important* (amber rating) and 2 classified as *requires attention* (green rating) in relation to the level of response and intervention required.

3.2   All strategic risks have a number of actions identified to minimise/mitigate the risks. All actions have review/completion dates, status updates, progress RAG ratings and identified Action Owners.

3.3   The concerns / risks will be shown 'on screen' in the meeting but for subsequent meetings the intention is that the Committee will receive a brief covering report together with the link to access the risk system. Guidance will be provided to enable Committee members to do this.

3.4   Having an oversight and obtaining assurances about our risk management arrangements and the management of specific risks and concerns is a key responsibility for the Committee. As such, and to assist with workplan scheduling it is proposed to plan for specific risks/concerns to be presented in more detail, a deep-dive' approach throughout the year. This will also help to ensure the relevant Executive Directors are able to attend to present and to answer questions.

3.5   To assist in that scheduling, attached is an appendix showing the current strategic risk / concerns for the Committee to prioritise in terms of the deep-dives. The aim would be to use the agreed scheduling for the year, unless of course there is a significant change in the strategic risk profile.

3.6   It is also proposed to earmark four Audit and Governance Committees where strategic risk / concerns would be presented and discussed, again to assist with the Committee's workplan.

3.7 In addition to the discussion around the details on the risk system, there may well be other supporting background documents that would be relevant. Where these are identified or requested, these will be made available to members of the Committee.

3.8 In summary, the Committee is asked therefore to consider the current strategic risk / concerns and identify those that you would like to have a deep-dive on. A brief report will supplement each specific 'deep-dive' to ensure the Committee is made aware of any significant changes in the strategic risks / concerns.

3.9 As this is a new approach to both corporate risk management and how the Committee will obtain assurances, it seems sensible to review how this is working so any changes and refinements can be made.

Contact Officer: Corporate Governance and Assurance Manager
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Date: 5th March 2021

Appendix 1

Current Strategic Risks / Concerns – March 2021

No.	Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
1	Health Protection Emergency	Need to ensure that robust arrangements in place, are understood by all stakeholders and complied with, to deal with any health protection emergencies which may arise, and which require a Business Continuity response e.g. Covid 19 Pandemic.	Actual	Actual	Important	ED Public Health
2	Glassworks	As a key strategic investment for the Council there is a need to ensure the successful delivery of the Glassworks. There are clear financial and reputational implications should the project not be delivered on time, to budget and fail to have the intended economic and social outcomes. The impact of the Covid 19 pandemic will exacerbate the challenges to the High Street/town centre retail sector which could impact on the uptake of retail lettings.	Potential	Actual	Important	ED Place
3	Serious Economic Downturn in the Local Economy	The impact of Covid 19 will have a significant impact on the local economy with the potential for reduced NDR and CT collection. There is likely to be a continued or accelerated downturn in the retail and visitor economy sector and the collapse of businesses adding to the pressure on the Council and partners' services. As well as the potential impact on the Glassworks and the town centre there are wider community implications for Barnsley, its principal towns and other urban centres	Actual	Actual	Important	ED Place
4	Potential death of a child/safeguarding failure in children's services	A need to continually appraise the controls to minimise the potential for death of a child or safeguarding failure in children's services - need to be able to identify any changes which may weaken current levels of assurance. Factors which may impact should be assessed include: the impact of Covid 19 upon both families and workforce capacity, increasing poverty which could impact on demands for services and increases in caseloads, future financial settlements which could impact on service provision, awareness of system pressures e.g. workload. If systems break down there is potential for huge reputational damage - seen across a number of UK authorities - including removal of Director of Children's Services, and government imposition of Commissioners to run services until improvements are made.	Potential	Potential	Important	ED Children's Services

No.	Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
5	Educational outcomes progress	Concerns that educational outcomes progress for all children across Barnsley may not be sufficient, with particular concern around improving outcomes for vulnerable groups and boys	Potential	Potential	Important	ED Children's Services
6	SEND	Although a new set of controls are in place and the Oversight Board has been developed to ensure that issues identified in the Peer Review Challenge are in place - there remains a need to focus on whether the systems established will be able to support improvements at pace and to the satisfaction of service users and reduce the need to send children out of area which is very expensive and attracts poor satisfaction rates	Potential	Potential	Requires Attention	ED Children's Services
7	Financial sustainability	The Comprehensive Spending Review (CRS), Fair Funding Review, and Business Rates Retention all take place in the national policy context of significantly impaired national finances which present challenges to the Medium-Term Financial Strategy (MTFS) and to the certainty and level of financial resources available to the Council with the loss of funding streams. Additional pressures from Business Continuity events e.g. Covid 19, plus the added impact of the year on year reduction in funding available to the Authority which inevitably creates pressures on the financial position which can undermine the Council's ability to fulfil its strategic priorities and longer-term aspirations	Actual	Actual	Important	SD Finance
8	Organisational resilience	There is a need to ensure that at the Council's core we have robust mechanisms in place to deal with external issues such as; Brexit, Cyber Security, Terrorism or any other external impact requiring a Business Continuity response.	Actual	Potential	Important	ED Core
9	Partnership and Collaboration Governance	Many public services are delivered through partnerships or collaboration as well as emerging devolution arrangements; these must be robust, well governed but flexible and responsive to ensure objectives are met. Weak partnerships or collaborative working can lead to the failure of services, significant financial difficulties and reputational damage. Key partnerships are: Integrated Care Partnership Board, Barnsley FC, BCVS, SCRMCA.	Potential	Potential	Important	ED Core
10	Consistency of decision-making process	In the current climate of needing to take effective and often urgent decisions (particularly relating to Covid 19) it is essential that the decision-making arrangements across the Authority are clear, robust but flexible, transparent and consistently complied with. Consideration is needed to balance the need for effective decision making with the information required to support it to ensure that the decision-making process is efficient. This must also incorporate the	Potential	Potential	Requires Attention	ED Core

No.	Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
		need for effective consultations, whether that is within the Council or with external partners and stakeholders. There also needs to be an appropriate and effective scheme of delegation where Service Directors and Heads of Service are able to take decisions through a simple governance framework but that provides assurances to SMT.				
11	Potential for a safeguarding failure in vulnerable adults service	Whilst we are confident that controls are in place to minimise the potential for safeguarding failures there remains a need to continually appraise these and be able to identify any changes which may weaken current levels of assurance. Factors which may impact and should be assessed include; the impact of Covid 19 upon families and workforce capacity which could increase workload pressures, increasing incidence of poverty which could impact on demands for services and lead to increases in caseloads, future financial settlements could impact on service provision, awareness of pressures in the system e.g. workload pressures leading to decrease in staff attendance at meetings etc. If the system breaks down potential for huge reputational damage.	Potential	Potential	Important	ED Adults & Communities
12	External market provision in Adult Social Care provision	Concerns exist regarding the capacity and sustainability of the external market in adult social care provision. There remains a continuing decline in the ability to recruit into the external care market and sustain safe levels of care. There is no clear market shaping plan and limited capacity to develop it with the potential consequences of people being placed in inappropriate settings with the wrong services. High levels of voids in the market will also significantly threaten capacity and longer-term financial sustainability. The impact of Covid 19 has and will continue to significantly influence the external market and must be fully understood and assessed.	Actual	Actual	Important	ED Adults & Communities
13	Community cohesion	This remains a key area of focus to ensure that we build and support a tolerant and inclusive community across the Borough.	Potential	Potential	Important	ED Adults & Communities

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Report of the Head of Internal Audit,
Anti-Fraud and Assurance

Audit and Governance Committee – 17th March 2021

RISK MANAGEMENT POLICY STATEMENT AND RISK MANAGEMENT FRAMEWORK 2021-23

1.   **Purpose of the report**

1.1   To share with the Committee the draft Risk Management Policy Statement and the draft Risk Management Framework 2021-23. These documents will form part of a suite of resources for managers and employees to support them in the management of risks across BMBC using the new risk management approach and system.

2.   **Recommendation**

2.1   **The Audit and Governance Committee are asked to consider the draft Risk Management Policy Statement and the draft Risk Management Framework 2021-23 for referral to Cabinet for formal approval.**

3.   **Background**

3.1   As part of the development and implementation of the new risk management approach and system it has been necessary to update policy and guidance documentation on risk management. The attached documents form part of a developing suite of resources for managers and employees:

- The draft Risk Management Policy Statement provides a high-level corporate statement of the Council's responsibilities pertaining to risk management and how it will seek to ensure effective risk management.

- The draft Risk Management Framework 2021-23 provides details of the new risk management approach and system and how it will be delivered across the Council. Appendix 1 of the Framework outlines the roles and responsibilities of various groups and individuals across the Council in relation to the delivery, support and assurance required to establish and embed an effective risk management system across the Council.

Contact Officer: Corporate Governance and Assurance Manager
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Date: 3rd March 2021

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Barnsley Council Risk Management Policy and Framework

Policy Statement

Barnsley Council recognises that it has a responsibility to manage the risks it faces effectively in order to:

- Ensure that statutory obligations and policy objectives are met
- Prioritise areas for improvement in service provision and encourage meeting or exceeding customer and stakeholder expectations
- Safeguard its employees, clients and service users, Members and all other stakeholders to whom the Council has a duty of care
- Protect its property and assets including buildings, equipment, vehicles, information and all other assets and resources
- Identify and manage potential liabilities
- Maintain effective control of public funds and the efficient deployment and use of resources to achieve "Value for Money"
- Preserve and promote the reputation of the Council
- Support the quality of the environment
- Engage effectively with its partner organisations and wider community
- Learn from previous threats, opportunities, successes and failures to inform the future management of risks

Risk management is an integral part of the Council's corporate governance arrangements and has been built into the management processes as part of the Authority's overall framework to deliver continuous improvement. All Members and Officers have a responsibility and a role to play in managing risk.

The Council will seek to achieve effective Risk Management by:

- Implementing a Risk Management Framework that is fit for purpose and which compliments the other governance processes of the Council
- Equipping all employees and Elected Members with the skills required to identify and assess risk and communicate this appropriately and effectively
- Acknowledging that increasingly risks are shared across partner organisations, which can increase the complexity of analysis and reporting, and, also that assurances regarding the level of risk may need to be sought from third parties as well as internal sources
- Annually reviewing the effectiveness of Risk Management and reporting the results as part of the Annual Governance Statement
- Considering on an on-going basis that the Councils approach remains in line with good practice, whilst reviewing the Policy and Framework formally every 2 years

Signed:

Councillor Sir Steve Houghton   Sarah Norman
Leader of the Council   Chief Executive

1

Risk Management Framework 2021 - 2023

1. Introduction

Barnsley Council recognises the importance of the effective identification, evaluation and management of all key strategic and operational risks. Risk management is at the heart of good management practice and is a key part of the Council's corporate governance arrangements.

Our risk management arrangements are proactive and enable decisions and day-to-day management to be based on properly assessed risks with the aim of ensuring that the right actions are taken at the right time.

By implementing effective management of our risks, we will be in a stronger position to deliver:

- Improved Strategic Management – greater ability to deliver against objectives and targets within finite resources
- Improved Operational Management – reduction in interruptions to service delivery and/or in managerial time spent dealing with the consequences of a risk event having occurred
- Improved Financial Management – informed decision making and reduction in losses or claims against the Council, reduction in insurance premiums, and
- Improved Customer Services and Outcomes – minimal service disruption, increased levels of satisfaction and optimal service delivery.

This document outlines how Barnsley Council is taking on its responsibility to manage risks and opportunities as outlined in the Risk Management Policy, using a new positive and enabling approach. It sets out:

- What we mean by risk management?
- Why we need a Risk Management Framework – why is it important?
- An overview of the risk management process
- Delivery of the strategy
- An outline of the roles and responsibilities for members, senior officers and staff

2. Definitions of Risk – what do we mean by risk management?

Risk is the chance, possibility or concern of loss, damage, injury or inability to achieve objectives caused by an unwanted or uncertain action or event. Risk is an inevitable part of everyday business and cannot be eliminated – but it can be managed.

Risk management is a planned and systematic approach to the identification, evaluation and control of those risks, issues and concerns which can threaten the assets or financial and organisational wellbeing of the Council. Risk management is a key element in the Council's Governance Assurance Framework and is a key part of day-to-day business processes to deliver improvements.

3. Why is risk management important?

Effective and efficient risk management is critical to the success of any organisation. It is an important tool for senior management to ensure that the organisation's objectives are achieved, and its responsibilities discharged. How organisations deal with risk can have a major impact on the achievement of the key business goals and organisational objectives.

The Council recognises that it has a responsibility to manage risks effectively in order to control its assets and liabilities, protect its employees and community against potential losses, minimise uncertainty in achieving its goals and objectives and maximise the opportunities to achieve its vision.

Risk management is an integral part of the Council's corporate governance arrangements and has been built into the performance management processes of the Council, and forms part of the overall framework to deliver continuous improvement.

4. An Overview of the Risk Management Process

4.1 Context

A Corporate Peer Challenge of Barnsley Council in 2019 recommended that the corporate risk register should be reviewed to ensure that the risks within it truly reflected the key issues relating to the Council's business and future development.

The Peer Challenge presented an opportunity to consider the Council's approach to strategic risk management, but also to consider the wider process of risk identification and management across the Council.

4.2 Revised Risk Management System and Approach

A revised approach to risk management has been developed and approved by the Senior Management Team, which uses existing and familiar systems to employees in the Council (SharePoint and Power BI tools) to present the risk information in an easy to use dashboard.

The new system is user friendly, has easily accessible risk recording templates which are quick to complete and can easily be used on a variety of electronic devices. The process has a simpler RAG rating and assessment of risk, and a greater emphasis on the effective mitigation of actions to address the risk. The system is designed to be "self-service" for Risk Managers and their teams, enabling risks to be proactively owned, updated and managed by teams across the Council.

The new approach introduces the concept of 'concerns', 'issues' and areas of focus. The term 'risk' is therefore used generically to cover these three concepts

4.3 Risk Analysis – Identification, Description and Assessment of Risk

Unlike traditional risks systems which focus on the avoidance of failure with risks being prefaced with the description of "failure to…" the new risk management system has a more positive enabling approach. The system focuses on an assessment of confidence,

3

encouraging risk managers to focus on matters requiring attention, assurance and intervention; and to consider what actions are required and by when to mitigate the risk.

Risk consideration is around:

- Are we satisfied that we are doing everything reasonable to influence and manage risk?
- What do we need to have in place to ensure we do all the right things in the right way?

To determine and identify risks, managers need to think about and capture areas of focus, issues and concerns in their area. These can be defined as follows:

- **Concerns** – something that is likely to happen in future – concern regarding the achievement of an objective, or the need to meet future requirements e.g. new legislation or maintaining/meeting specific service levels
- **Issues** – something that has gone "wrong" – live problems that need a specific response – e.g. arising from a complaint, enforcement action against the Council or a failure of a contractor
- **Areas of focus** – likely to be important strategic or operational objectives which need to remain in the focus of the management team – e.g. Glassworks Development as a strategic focus, or a new IT system as an operational focus

The system requires a narrative description of the risk. This may relate to something that has happened or something that may occur, it can be a local concern or can be linked to national influences, or a major activity, project or initiative that the team should have a focus on.

A narrative assessment of the risk helps to identify the main issues. For a **concern** (the forward look), considerations include:

- What is giving us a concern and why?
- Do we know when the concern may arise?
- What do we need to ensure we have in place that means we can address the concern?

For an **issue** (the response to something that has already happened), considerations include:

- What has gone wrong?
- What was the cause?
- What has not been complied with?
- Is there a missing control or is it a matter of non-compliance?
- Could this have been prevented, minimised with improved controls etc?

For an **area of focus** (the longer-term aspects of service delivery), considerations include:

- What assurances do we need regarding the project / initiative / objective that ensures its successful delivery?
- Are all the arrangements in place to provide the right oversight and timely information that would enable the necessary interventions and influence?

4

4.4 Risk Evaluation

All risks need to be evaluated to determine the relative severity or seriousness of the issue, concern or area of focus. This in turn aids management in determining the relative prioritisation of their risks and assists them to determine the necessary actions for each risk.

Traditionally risk evaluations are based on a matrix scoring system of likelihood (probability) and consequence (impact).

The revised approach has a more simplistic intuitive assessment process reflecting what is happening now:

- Is the impact of the risk actual or potential?
- What is the current status of the risk actual or potential?
- What is the response rating of the risk, i.e. how urgently do we need to act – critical (high priority, urgent), important (medium priority) or requires attention (a more of a monitoring response)?

4.5 Risk Management and Mitigation and Governance Domains

For each risk, managers need to consider the actions required to understand, manage and respond to the risk.

- For an **issue**, actions will be largely corrective based on a "diagnosis" of what went wrong, to enable a focus on specific, owned and tracked actions to respond.
- For a **concern**, the actions are likely to revolve around getting assurances about the necessary arrangements in place to enable the future matter to be dealt with effectively, and therefore avoiding any issues, where something goes wrong.
- Similarly, with **areas of focus**, the actions are likely to focus on obtaining assurances to enable the appropriate oversight and influence.

The new system enables managers to identify up to 8 actions for each risk.

Each action includes a description of what is to be done, by whom (the Action Owner) and by when (completion or review dates). A simplistic progress update (red, amber or green) is included, which provides a visual guide to assist management in determining the relative prioritisation and attention to be afforded to the action.

Each action should be linked to a governance domain (this may be completed by the Risk Manager) or can be updated by the Corporate Governance and Assurance Manager.

These governance domains link the action to the wider governance assurance and control framework that all Business Units/Management Teams are required to comply with. In effect the domains provide a simple accountability/compliance framework which identifies the underpinning infrastructure of governance and control used across the

5

Council (and indeed all organisations) to manage its finances, people, assets, information, partnerships, performance, contracts, projects, legislative responsibilities, decision making, conduct and resilience.

Linking the risk actions to a governance domain explicitly recognises that everything that happens in an organisation is achieved through these broad themes or domains, and that the management, effectiveness and compliance with these domains is a key aspect of good governance within an organisation. Every manager and ultimately every employee have a responsibility to comply with and ensure good governance in their work and area of the organisation.

Each governance domain has a strategic level owner the "Domain Lead" (someone accountable to an Executive Director for the organisational wide management of that area) e.g. the Service Director - Finance is responsible for financial management and has oversight and responsibility for regulation and compliance requirements in that area. Analysis of actions by governance domain will be shared with the Domain Leads; and will form an intrinsic part of the Council's review of governance, in order that trends, issues and areas requiring corporate input or support can be identified.

This new approach of linking risk management with governance domains will enable over time a simpler and more powerful governance assurance process to develop and be established. In turn this will have a major impact on the quality and ease of completion of the annual governance review and the preparation of the Annual Governance Statement.

4.6 Risk Assurance and Review

The Senior Management Team (SMT) will receive quarterly reports on strategic risks as part of their Quarterly Performance Review meetings. These will be prepared by the Corporate Governance and Assurance Manager. There will be dedicated time for consideration, debate and challenge on the risks at these Quarterly Performance Meetings.

The Audit and Governance Committee will receive regular updates on the strategic risks and will have the opportunity to drill into specific risks with individual Executive Directors invited to attend and update the Committee to discuss risks in their area.

Cabinet will receive six monthly reports on strategic risks. The named Lead Member for Risk Management is the Cabinet Spokesperson for Core Services.

Directorate Management Teams and Business Units will have their own risk registers. The minimum review requirement recommended for these is on a quarterly basis at management meetings.

Heads of Service will have their own risk registers, the recommended review period for these being monthly.

5   Delivery of the Framework

6

A good understanding of risk management and a strong commitment from both Members and Officers exists within the Council which will support the delivery of the new risk management approach. Roles and responsibilities to support the delivery of the framework are outlined in Appendix 1.

The Corporate Governance and Assurance Manager will work closely with Business Units, Directorates and Boards/Project Teams to embed the new risk management processes into their teams.

An Implementation/Roll Out Plan for the new risk system will be adopted with regular reviews of progress during 2021/22.

Guidance materials to support managers to adopt the new risk management approach and supporting system will be provided to include step by step user guides/notes to support the completion of the risk management templates, training packages for staff to complete on POD, and the Risk Management Policy Statement.

Continual development and regular review of strategic and operational risk registers will be undertaken by managers with support and input from the Corporate Governance and Assurance Manager as necessary.

Risk Management Roles and Responsibilities

In order to ensure that the Council's risk management arrangements are implemented and delivered successfully, it is important that everyone within the organisation understands how their responsibilities fit into the risk management framework.

The table below summarise the roles and responsibilities of various groups and individuals across the Council in relation to the delivery, support and assurance necessary to establish and embed an effective risk management system

The following groups and/or individuals will assist in the delivery of effective risk management:

Group or Individual	Roles and Responsibilities
Council	• Ensure that an effective system of risk management is in place
Elected Members (individually or collectively)	• Understand the importance of risk management and its benefits, which includes attending relevant training • Contribute to the identification of strategic risks • Consider the risk management implications contained within Cabinet and other reports as part of the Council's decision-making process
Cabinet	• Promote and demonstrate the behaviours and values that support well informed and considered risk taking • Ensure open and frank conversations about risks, ensuring appropriate reporting and escalation as required.
Chief Executive	• Ensure effective risk management arrangements are in place and to lead the embedding of the risk management culture within the Council
Senior Management Team (SMT)	• Ensure the Council manages risk effectively through the Risk Management Policy • Actively consider, individually and collectively own and manage the key strategic risks of the Council • Keep the Risk Management Framework and Policy under regular review • Promote and demonstrate the behaviours and values that support well informed and considered risk taking, while maintaining accountability • Encourage open and frank conversations about risks, and ensure appropriate reporting and escalation of risks as required
Directorate Management Teams (DMT)	• Responsible for the effective and robust management of risk within the Directorate • Escalate risks to the Senior Management Team as appropriate • Maintain Directorate Risk Registers and update risks at least quarterly (or more frequently if required)
Business Units (BU)	• Responsible for the effective and robust management of risk within the Business Units • Escalate risks to the Directorate Management Team as appropriate • Maintain Business Unit Risk Registers and update risks monthly

8

Group or Individual	Roles and Responsibilities
Service Managers/Project Managers/Partnership Lead Officers	• Manage risks effectively in their service area, project or partnership for which they are responsible
Boards	• Responsible for the effective and robust management of risks within the Board • Escalate risks to the relevant Executive Director / Senior Management Team as appropriate • Maintain a Board Risk Register and update risks at least quarterly
All Employees	• Maintain an understanding of risk management and its benefits, which includes attending relevant training • Identify new or changing risks in their job and feed these to their line manager

The risk management framework is supported by:

Head of Internal Audit, Anti-Fraud and Assurance	• Responsible for the overall monitoring of strategic risks across the Council • Responsible for ensuring that risk management resources are appropriate • Provides independent assurance and an annual opinion on the adequacy and effectiveness of the Councils risk management, assurance and control framework
Corporate Governance and Assurance Manager	• Develop and maintain the Risk Management Framework and Policy, management guidance and support resources • Facilitate the maintenance of an up to date Strategic Risk Register, and provide reports on strategic risks to the Senior Management Team • Facilitate the risk management process within the Council. • Assist key individuals with implementing and embedding risks across all Council areas, provide guidance, training and support as required

The risk management framework is assured by:

Audit and Governance Committee	• Provide assurances to the Council on the adequacy and effectiveness of the risk management framework ensuring it is fit for purpose • Receive regular reports on the Council's risk management arrangements and the management of key risks
Internal Audit	• Assess the effectiveness of the risk management framework and the control environment in mitigating risk • Periodically provide an independent view of the robustness of the risk management framework and compliance with it • Review and comment on the content and relevance of Risk Registers in supporting the delivery of Business Plan objectives when undertaking risk-based audits

9

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AUDIT AND GOVERNANCE COMMITTEE – 17th March 2021

CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY – ANNUAL REPORT

1.   Purpose of the Report

1.1   This annual report presents the Committee with a review of the activities and current issues regarding the Council's Confidential Reporting (Whistleblowing) Policy and supporting procedures.

2.   Recommendation

2.1   It is recommended that the Committee consider the report and the assurances it provides and commits to continue to support the Council's overall counter fraud culture and the work of Internal Audit and the Corporate Anti-Fraud Team.

3.   Background

3.1   The Council has had a Corporate Whistleblowing Policy since 2000. It has undergone a number of reviews and revisions to ensure it remains fit for purpose and meets best practice and any guidance as may have emerged and changed over the years. The Committee will recall that the title of the policy was changed to Confidential Reporting when it was last reviewed and approved by Cabinet in January 2020.

3.2   The specific confidential reporting arrangements are of course just one vehicle for concerns to be raised. The degree and extent of the specific use of the procedures is therefore not considered significant when taken with the other means by which concerns are raised. What is important of course is ensuring there are clear and understood routes for raising concerns and that there are suitable resources and arrangements in place to ensure appropriate investigations are undertaken.

3.3   Again as the Committee is aware a number of other policies, strategies and procedures were also reviewed and considered by the Committee (and approved by Cabinet). These policies were publicised internally. The Anti-Fraud week that was originally scheduled for May 2020 was postponed due to the pandemic but is being planned for November 2021 where this and the other anti-fraud polices will be re-publicised. Details of the plans for that week and the activities and initiatives will be brought to the Committee in due course.

4. Confidential Reporting Activity

4.1 As referred to above the confidential reporting arrangements are part of a wider framework of how employees, particularly can raise concerns. However, specifically in relation to the use of the whistleblowing arrangements, during the last 12 months there have been 8 instances of contact, 6 received via email/letter and 2 through direct contact with one of the Corporate Whistleblowing Officers. Six of the concerns were raised anonymously. The table below summarises the 8 concerns raised.

		Nature of Concern	Action Taken	Status
1	Anonymous	Regarding management structure and behaviours.	Management investigation and staff sessions	Closed
2	Anonymous	Activity of an individual within a Council service	Further information to an existing investigation. Disciplinary action taken.	Closed
3	Anonymous	Use of social media by Council employees	Independent investigation undertaken.	Closed
4	Anonymous	Regarding management behaviours within a Council service	Considered as part of a wider service review.	Closed
5	Anonymous	Regarding behaviours of a senior manager	Limited investigation undertaken due to ability to corroborate.	Closed
6	Name provided	Alleged abuse of position within a Council service	To be investigated as part of an Internal Audit review.	Open
7	Name provided	Wrong advice given by a manager regarding self-isolation	Manager corrected and corporate communication provided to improve understanding	Closed
8	Anonymous	Regarding behaviours and activities at a Council service	Subject to a current investigation	Open

4.2 As can be seen there are 2 cases that remain open, one that will be considered as part of an Internal Audit in due course and another where there are continuing investigations being undertaken. Only one of the cases above resulted in formal disciplinary action.

4.3 As has been highlighted in previous reports, whilst this level of activity may be regarded as relatively low, it is difficult to speculate what would be an appropriate figure. There are several ways to judge the volume of referrals through this process; more positively, a low number could indicate on the one hand there are only a few instances of irregularity or concern that are being identified, or less positively, that the process for reporting is not trusted. A higher number of referrals could indicate a greater level of trust with the process but less positively, an indication that there are more instances of irregularity occurring.

4.4 Using the procedure does of course provide the additional protection of a protected disclosure when a matter is raised in the public interest and in good faith, but employees raising concerns do not necessarily look for that assurance – which is in fact reassuring that they have confidence that concerns will be acted on in an appropriate way.

4.5   The Committee will appreciate that dealing with concerns raised anonymously are often far more difficult to investigate, relying on the level of detail provided and the ability to corroborate. Great care is taken to try and establish the motives for an anonymous concern where there is an obvious risk of a matter being raised maliciously. However, all concerns raised are looked into and discussed with relevant senior officers.

4.6   In relation to the confidential reporting arrangements themselves, of particular focus is to have regard to the extent to which firstly, we feel the policy and procedures meet best practice, secondly, that we have appropriate means to publicise the policy, and thirdly, that when the arrangements are used, there is an appropriate response – i.e. the arrangements work. In all three aspects, in combination, it is felt that the arrangements are fit for purpose and no further review work is required at this time.

5.   Risk Management Considerations

5.1   Having effective arrangements for confidential reporting is a key element to any organisation's attempts to minimise the risk and incidence of fraud, corruption and other wrongdoing. Whilst fraud risk cannot be reduced to nil, having good policies and procedures supported by proactive awareness and regular reviews can contribute considerably to minimising this risk.

5.2   Fraud and corruption risks have been reviewed across all the Council's Business Units and will contribute to the Corporate Anti-Fraud Team's annual workplan.

6.   Financial Implications

6.1   There are no financial implications arising directly from this report. The very modest annual costs associated with publicity materials, the telephone 'hotlines' and dedicated P.O. box number are met within the Internal Audit budget.

6.2   There are however indeterminate but potentially significant financial implications arising from confidential reporting in terms of the issues raised and their specific consequences. It is also impossible to calculate the cumulative deterrent effect of the whole suite of policies and procedures that may have prevented wrongdoing occurring.

7.   Employee Implications

7.1   As with the financial implications, there are no employee implications arising directly from this report.

7.2 There are of course major implications for employees, elected and co-opted members and all those likely to utilise the Policy and arrangements in fulfilling their duty to report concerns. In raising a concern in the public interest through this Policy, or in the other ways identified in the Policy, employees are afforded employment protection provided by the Public Interest Disclosure Act. Those individuals who become the subject of concerns raised will be themselves subject to the normal procedures around investigations and any subsequent disciplinary procedures.

8. Background Papers

Confidential Reporting (Whistleblowing) Policy and supporting guidance.

Contact Officers: Executive Director – Core Services and the Head of Internal Audit, Anti-Fraud and Assurance as the Council's designated Corporate Whistleblowing Officers.
Telephone: 01226 773001 / 01226 773241
Date: 4th March 2021

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT COMMITTEE – 17th MARCH 2021

INTERNAL AUDIT PROGRESS REPORT 2020/21

1.   Purpose of this report

1.1   The purpose of this report is to provide a summary of the Internal Audit activity completed, and the key issues arising from it, for the period from 1st January to 28th February 2021.

2   Background information

2.1   The Audit Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements, including matters such as internal control and risk management. The reports issued by internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.

2.2   At the end of the financial year, Internal Audit will produce an Annual Internal Audit Report, which will provide our overall opinion on the adequacy of the Council's control environment and compliance with it during the year.

3   Recommendations

3.1   It is recommended that the Audit Committee considers the assurances it needs on the effectiveness of the Authority's internal control, risk and governance arrangements through the work of Internal Audit by:-

   i.   considering the issues arising from completed Internal Audit work in the period along with the responses received from management;

   ii.   noting the assurance opinion on the adequacy and effectiveness of the Authority's internal control framework based on the work of Internal Audit in the period, and;

   iii.   noting the progress against the Internal Audit plan for 2020/21 for the period.

4   Local Area Implications

4.1   There are no Local Area Implications arising from this report.

5   Consultations

5.1   All audit reports are discussed and agreed with the Audit Sponsor and Designated Operational Lead. Individual audit reports are provided to the appropriate Executive Director and/or Service Director to apprise him/her of key issues raised and remedial actions agreed.

5.2 No specific consultation has been necessary in the preparation of this quarterly report.

6   Compatibility with European Convention on Human Rights

6.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 2018, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

7   Reduction of Crime and Disorder

7.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

8   Risk Management Considerations

8.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management and, as such, risk issues are inherent in the body of the report.

8.2 The Service's operational risk register includes the following risks which are relevant to this report:

- Ensuring the appropriate use of and management of, information to inform and direct internal audit activities;
- Able to provide a flexible, high performing and innovative service; and
- Ensuring continuously high levels of customer satisfaction.

8.3 All of these risks have been assessed and remain within the tolerance of the Service.

8.4 An essential element of the control (and on-going) management of these risks is the provision of update reports to the Audit Committee and the assurance this provides.

9   Employee Implications

9.1 There are no employee implications arising from this report.

10   Financial Implications

10.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function are included within the Authority's base budget.

11   Appendices

Appendix 1 - Key To Internal Audit Assurance Gradings & Classification of Management Actions.

12   Background Papers

12.1   Various Internal and External Audit reports, files and working papers.

Officer Contact: Head of Internal Audit, Anti-Fraud and Assurance
Telephone No: 01226 773241
Date: 5th March 2021

Barnsley Metropolitan Borough Council

Internal Audit Progress Report

Audit Committee

17th March 2021

INTERNAL AUDIT PROGRESS REPORT 2020/21
1st January to 28th February 2021

Purpose of this report

This report has been prepared to inform the Committee on the Internal Audit activity for the period 1st January to 28th February 2021, bringing attention to matters that are relevant to the responsibilities of the Authority's Audit Committee.

The report also provides information regarding the performance of the Internal Audit function during the period.

2020/21 Internal Audit Plan Progress

The following tables show the progress of the internal audit plan delivery, analysed by the number of plan assignments producing a report and audit days delivered by Directorate / Service.

Position as at 28th February 2021 – Audit Days Delivered

Directorate	Original 2020/21 Plan days	Revised 2020/21 Plan days	Actual days (% of revised days)
Adults & Communities	68	42	30 (71%)
Childrens Services	166	136	123 (90%)
Core Services	386	468	414 (88%)
Corporate	133	157	308 (196%)
Council Wide	140	160	139 (87%)
Place	167	136	84 (62%)
Public Health	48	33	30 (91%)
General Contingency	26	2	0
Barnsley MBC	**1,134**	**1,134**	**1,128 (99%)**
Corporate Anti-Fraud Team	600	600	488 (81%)
Barnsley MBC Internal Audit Total	**1,734**	**1,734**	**1,616 (93%)**
Corporate Governance & Assurance	210	210	151 (72%)
HoIA role as DPO	35	35	31 (89%)
External Clients	**1,043**	**1,043**	**834 (80%)**
Total Chargeable Planned Days	**3,022**	**3,022**	**2,632 (87%)**

NB – Core includes all unplanned Covid19 related assurance work that covers assurance activity across all Directorates.
Corporate includes days where the Team have supported other services (i.e. redeployment).

1

Position as at 28th February 2021 – Plan Assignments

Directorate	2020/21 plan assignments*	Assignments expected to be completed to date	Actual assignments completed
Adults & Communities	3	0	0
Childrens Services	5	3	3
Core Services	38	27	27
Place	4	0	0
Public Health	1	1	1
Total	50	31	31

* Incl. c/fwd from 2019/20.

NB – excludes advisory, grants etc where no report required.

*A total of 2 final reports issued in this period, with 29 being issued in the previous reporting periods.

Changes to the 2020/21 Internal Audit Plan

There has been 1 change to the Internal Audit plan during this period. A planned review of the Childrens Services Trust Executive Group and Wider Partnerships is no longer required.

Final Internal Audit reports issued

We have finalised 2 audit reports in the period. The following table provides a summary of assurances, where applicable, and the number and categorisation of agreed management actions included in these reports:

Directorate- Audit Assignment	Assurance Opinion	Number of Management Actions Agreed:			Total	Agreed
		High	Medium	Low		
Core – Covid19 – Income Compensation Returns (Claim 1)	N/A	0	2	0	2	2
Core – Covid19 – Isolation Payments	Reasonable	0	2	0	2	2
Total		**0**	**4**	**0**	**4**	**4**

Please note that final audit reports are available to Audit Committee members on request.

Internal Audit reports providing a limited or no assurance opinion

There were no audit reports issued during the period that had a limited assurance opinion.

2

Details and outcome of other Internal Audit activities undertaken in the period not producing a specific assurance opinion

Audit Work Completed	Details	Contribution to Assurance
Communities: Troubled Families – Quarterly validation	Grant claim validation.	The work contributes to assurance in respect of financial management.
Core/Place: Glassworks Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the phase two scheme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core: SAP Success Factors	To continue to support the project throughout its design and implementation.	The work contributes to assurance in respect to contract management, governance and financial management.
Core: SMART working and Managers Toolkit	To develop the audit and assurance elements of the managers toolkit and also to attend the Working Group meetings to provide check and challenge to the process.	This work supports the Council in its objective of increased SMART working arrangements.
Childrens Services: SEND – Decision Making	A check and challenge approach to the project in terms of improvement plans and inspection readiness.	The work contributes to assurance in respect of governance and financial management.

Other Internal Audit work undertaken

Audit Activity	Description
Follow-up of Agreed Management Actions	Regular work undertaken to follow-up agreed management actions made.
Attendance at Steering / Working Groups	- Information Governance Board; - Commissioning, Procurement & Contracts Working Group; - SMART Working / Managers Toolkit; - Glassworks Board; - Public Health Quality & Governance Group; - SEND Improvement Group - ALMO Operational Liaison Board - Covid19 Recovery and Resilience.
Liaison, Planning and Feedback	Meeting and corresponding with Service and Executive Directors and Heads of Service regarding the review of the annual plan, progress of audit work, future planning and general client liaison.
Audit and Governance Committee Support	Time taken in the preparation of Audit Committee reports, Audit Committee Member training, general support and development.
Corporate Whistleblowing	General time taken in providing advice and the initial consideration of matters raised. Also includes the review of arrangements.
Corporate Matters	Covering time required to meet corporate requirements, i.e. corporate document management, service business continuity and health and safety.

3

Work in progress

The following table provides a summary of audits in progress at the time of producing this report:

Directorate- Audit Assignment	Audit Planning	Work in Progress	Draft Report
Childrens – Youth Justice Service			✓
A&C - Assisted Living Service		✓	
A&C - Shared Lives Process Review		✓	
A&C - Brokerage Service		✓	
Core – Data Management Policy Compliance		✓	
Core – Legal Services – Service Standards		✓	
Childrens – SEND Improvement Governance		✓	
Place – Elsecar Heritage Trust		✓	
Place – NPS Governance and Contract Arrangements		✓	
Core – Covid19 – Income Compensation Returns (claim 2)		✓	
Core – Covid19 – Hardship Fund / Local Welfare Assistance Scheme		✓	
Core – Covid19 - Moratorium Follow Up		✓	
Core – Covid19 – Tier 2, Tier 3 and Discretionary Business Grants		✓	
Childrens – Barugh Green School		✓	
Place – Glassworks Contract and Performance Management		✓	
Childrens – Schools Audit Programme	✓		
Core – Financial Systems Reviews (x6)	✓		
Place – Health and Safety (Culture)	✓		
Place – Highways Financial and Governance Arrangements (Operations)	✓		
Place – Funding Review (ESIF)	✓		

As the table above shows, there are a significant number of active pieces of work. As is the case every year, many of these pieces of work will be completed into the new financial year. Again, as the Committee appreciates, Internal Audit work is delivered through a rolling programme with the financial year being less significant as a 'cut-off. A more relevant cut-off is when the Head of Internal Audit presents the annual assurance report which incorporates all completed work in the 12 months since the last annual report. Audit and Governance Committee meeting scheduling combined with the statutory timescales for the preparation of the AGS and accounts means that the 'internal audit' year is more aligned to June to May, with the June meeting being when the annual audit report is presented.

4

Follow-up of Internal Audit report management actions

As previously reported to members, Internal Audit is working closely with management to monitor the general position with regards the implementation of management actions and to establish the reasons behind any delays. Internal Audit continues to issue a detailed monthly status update to Service Directors and to Executive Directors on a quarterly. This is in addition to the performance reports currently presented to SMT.

The following table shows the status of internal audit management actions by Directorate where the original target implementation date was due for completion during the period:

Implication Categorisation	Original Target Date in Period	Completed	Not yet completed – Revised date agreed	Not yet completed – Awaiting management update
Adults & Communities				
High	0	0	0	0
Medium	1	1	0	0
TOTAL	**1**	**0**	**0**	**0**
Place				
High	0	0	0	0
Medium	1	1	0	0
TOTAL	**1**	**1**	**0**	**0**
Childrens Services (excl. Maintained Schools)				
High	0	0	0	0
Medium	2	0	2	0
TOTAL	**2**	**0**	**2**	**0**
Maintained Schools				
High	0	0	0	0
Medium	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Core				
High	2	2	0	0
Medium	15	11	4	0
TOTAL	**17**	**13**	**4**	**0**
Public Health				
High	0	0	0	0
Medium	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
OVERALL TOTAL	**21**	**15**	**6**	**0**
% of TOTAL		**71%**	**29%**	**0%**

5

Head of Internal Audit's Internal Control Assurance Opinion

The Head of Internal Audit, Corporate Anti-Fraud and Assurance must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Based on the audits reported in the period, an overall **reasonable** assurance opinion is considered to be appropriate.

A summary of our quarterly opinions for the year to date is as follows:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Assurance Opinion	Reasonable	Reasonable	Reasonable	Reasonable

Consideration of our overall opinion takes the following into account:
- results from the substantive audit assignments we have completed during the period;
- outcomes from our audit work not producing an assurance opinion;
- an assessment as to the timely implementation of internal audit report management actions.

Fraud, Investigations and the Corporate Anti-Fraud Team

The Audit Committee receives a separate report covering the detail of fraud and irregularity investigations undertaken, the preventative work and the general activities and work plan of the Corporate Anti-Fraud Team.

Audit Contacts

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6

KEY TO INTERNAL AUDIT ASSURANCE GRADINGS AND CLASSIFICATION OF MANAGEMENT ACTIONS

1.   **Classification of Management Actions**

High   Requires immediate action – imperative to ensuring the objectives of the system under review are met.

Medium   Requiring action necessary to avoid exposure to a significant risk to the achievement of the objectives of the system under review.

Low   Action is advised to enhance control or improve operational efficiency.

2.   **Assurance Opinions**

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	**Substantial**	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	**Limited**	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

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Report of the Head of Internal Audit,
Anti-Fraud and Assurance

AUDIT COMMITTEE – 17th March 2021

CORPORATE ANTI-FRAUD TEAM PROGRESS REPORT

1.   Purpose of the Report

1.1   This report provides the Audit Committee with an account of the work of the Corporate Anti-Fraud Team from 1st April 2020 to 28th February 2021.

2.   Recommendations

2.1   It is recommended that:-

> **i. The Audit Committee notes the progress report covering the period 1st April to 28th February 2021.**
>
> **ii. The Audit Committee continues to receive regular progress reports on internal and external fraud investigated by the Corporate Anti-Fraud Team.**

3.   Background Information

3.1   The Audit Committee received details of progress in the Corporate Anti-Fraud Report presented at the September meeting. This report provides a further update in respect of fraud management and investigations during 2020/2021.

4.   COVID-19 Counter Fraud Work

Business Support Grants

4.1   The CAFT is continuing conducting post event assurance work to ensure that these grants have been paid accurately as required by Government guidance. This guidance also requires local authorities to complete a Post Payment Assurance Plan and Fraud Risk Assessment for each business grant scheme in order to ascertain what actions and checks should be undertaken to minimise the risk of error and/or fraud and over payment.

4.2   The same guidance requires local authorities to provide a monthly report to Central Government comprising an update on their Fraud Risk Assessments and pre and post-payment assurance activities as they are delivered. The Principal Auditor (Corporate Anti-Fraud) has completed the Council's Fraud Risk Assessments and is responsible for submitting the monthly returns.

4.3   The Government's Counter Fraud Function has worked in partnership with Experian to introduce two products to assist local authorities with post

payment checks. The Council is using these tools, available via the National Fraud Initiative (NFI) website, to:

- Verify the bank accounts of companies in receipt of small business (SB) and retail, hospitality and leisure (RHL) grants; and
- Provide insight into whether the company was trading at the relevant date for these grants.

4.4 The Council has submitted records relating to 3,720 SB and RHL grant payments to the NFI for verification and the CAFT is now using the results to conduct post event assurance checks. Results to date have:

- Confirmed that 2,466 grant payments have been made to eligible businesses;
- Identified nine ineligible small business rate grants (£90K) which are to be recovered;
- Resulted in the recovery of two small business rate grant (£20K);
- The remaining 1,243 are being checked.

Fraud Alerts and Scams

4.5 COVID-19 fraud intelligence bulletins have been received from CIFAS and the Fraud Advisory Panel on a weekly basis throughout the pandemic. In addition, regular fraud alerts have been received from the National Anti-Fraud Network (NAFN).

4.6 These bulletins have provided information and intelligence on emerging fraud threats and trends affecting members of the public and both the private and public sectors. The fraud risks have been shared with relevant officers and/or published via Corporate Communications where applicable.

5. National Fraud Initiative (NFI)

5.1 The NFI is a national public sector data matching exercise. Data uploads took place in October 2020 and the resulting reports received in January 2021 for review, risk assessment and/or investigation.

5.2 It is not a requirement that all matches are investigated and the CAFT are currently prioritising Key Reports (which related to higher risk matches).

5.3 NFI reports relating to business support grants are due to be received around the end of March.

6. Investigations

6.1 As reported above, the CAFT has been heavily involved with post event assurance work relating to the Covid-19 Business Grant Support Scheme and providing support to the Benefits and Taxation Department. However, the CAFT has continued to receive and respond to allegations of fraud against the Council.

6.2 A summary of the CAFTs reactive investigation work for the period April to February is shown in the table below:

Council Tax Fraud		
These relate to the investigation of any alleged council tax irregularity including discounts, exemptions and council tax reduction.		
Number of investigations b/f from 2019/2020	14	
Number of new referrals (Apr - Feb)	198	
Total number of cases	**212**	
Number of investigations closed (Apr – Feb)	198	18 single person discount / council tax liability irregularities closed 'overpayment only'; 3 CTS irregularities closed 'overpayment only'; 164 referrals were closed due to there being no evidence of fraud; 13 cases were referred to the DWP.
Number of on-going investigations	14	2 joint working cases with the DWP; 5 relate to council tax empty property charges 3 relate to single person discount irregularities; 4 relate to council tax reduction scheme irregularities;
Tenancy Fraud		
CAFT continues to provide an investigative support service to Berneslai Homes to help identify, investigate, deter or prosecute persons that commit tenancy fraud within the Borough.		
Number of investigations b/f from 2019/2020	2	
Number of alleged tenancy fraud referrals received (Apr - Feb)	27	
Number of new Right to Buy Applications received for verification	141	
Total number of cases	**170**	
Number of Right to Buy verifications closed as eligible to apply	141	Counter fraud checks were satisfactory, and the applications were returned to the Right to Buy Team to progress through the RTB system
Number of Tenancy Investigations closed due to the property being recovered	3	2 tenancies were voluntarily surrendered as a result of joint working with Berneslai Homes; 1 false tenancy succession was prevented.
Number of tenancy investigations	16	These cases were investigated

closed as No Further Action (Apr – Feb)		but no evidence was identified to support the allegations. 11 relate to alleged non occupancy of the property; 2 concerned allegations of sub-letting; 2 related to successions of tenancy; 1 related to alleged housing application fraud.
Number of on-going investigations	10	

Blue Badge Irregularities

Blue badges can only be used by the named badge holder, or by a person who has dropped off or is collecting the badge holder from the place where the vehicle is parked. It is a criminal offence for anyone else to use a blue badge in any other circumstances.

Number of investigations b/f from 2019/2020	7	
Number of new referrals (Apr - Feb)	3	
Total number of cases	**9**	
Number of investigations closed (Apr – Feb)	7	5 irregularities had been referred to Legal Services for prosecution, however due the Covid-19 pandemic impacting on the Courts, a management decision was made not to pursue these prosecutions; 2 warning letters were issued to the vehicle drivers
Number of cases with Legal Services pending Court action	0	
Number of on-going fraud investigations	2	

Insurance Fraud

The CAFT continue to provide counter fraud checks of submitted insurance claims. These checks, including financial and residential verification, provide assurance to the Insurance Team that the claims are genuine and bona fides.

Number of investigations b/f from 2019/2020	2	
Number of new referrals (Apr - Feb)	42	
Total number of cases	**44**	
Number of investigations closed (Apr – Feb)	41	Counter fraud checks were satisfactory, and the claims were returned to the Insurance Team for processing.
Number of on-going investigations	3	

Corporate Investigations Corporate investigations are defined as fraud cases which relate to employee fraud or other third-party fraud which does not fall within a specific service area such as council tax or tenancy fraud		
Number of investigations b/f from 2019/2020	4	
Number of new referrals (Apr - Feb)	3	
Total number of cases	**7**	
Number of investigations closed (Apr – Feb)	5	2 were referred back to management; 1 Test and Trace application was refused; 1 management action 1 No evidence of fraud
Number of on-going investigations	2	

7. Preventative Work

7.1 The CAFT continue to have a focus on the preventative side of fraud.

7.2 The Principal Auditor (CAF) has attended Business Unit DMTs to assist management with the completion of their fraud risk assessments. The results will be used when considering future audit planning and to provide assurance for the annual governance review.

7.3 Other counter fraud work in progress includes:
- participating in a corporate group to consider procurement fraud risk;
- review and development of corporate training material through the POD system;
- early preparations for a second Fraud Awareness Week' involving a number of other Council services.

7.4 The progress and results of this work will be included in future reports to the Committee.

8. Corporate Anti-Fraud Plan – 2021/2022

8.1 The 2021/22 operational work programme will ensure the resources of the CAFT are utilised in an efficient, effective and accountable way. This work programme will be reviewed continually to reflect fraud trends, emerging risks and the general workload.

8.2 Whilst the number of planned days is still to be finalised, the counter fraud plan will include:
- Covid-19 post event assurance work.
- The Cabinet Office's National Fraud Initiative;
- A Fraud Awareness Week (proposed to take place in November 2021);
- Counter fraud reviews;

- Verification of Right to Buy applications and Insurance Claims;
- Investigations into alleged irregularities of council tax, tenancy, blue badge and corporate referrals.

8.3   The level of proactive anti-fraud work will be dependent on the volume of Covid-19 fraud assurance checks and reactive work received by CAFT.

8.4   Further details of the Corporate Anti-Fraud Team plan will be provided to the Audit and Governance Committee in June.

9.   External Clients

9.1   Whilst the primary focus for the CAFT is the Council, the team also offers a counter fraud service to Internal Audit's external clients. This external work is only undertaken where it is in the best interests of both the external client and the Council in respect of competing priorities and resources.

10.   Financial Implications

10.1   The structure and budget that CAFT operate within has proven successful and provides sufficient resource required to carry out an efficient value for money anti-fraud service.

10.2   Identifying a definite amount to be recognised as the impact of the CAFT is difficult beyond such results as the single person discount and other benefit work. Much of the work of CAFT is about avoiding loss. The NFI produce an 'Outcomes Calculation Methodology' document that seeks to put a value on the results of 'fraud avoidance'. For example:

£575 per blue badge cancelled to reflect lost parking charges
£93,000 per property recovered through tenancy fraud
£72,000 per Right to Buy application withdrawn

10.3   These (and other) calculations are used to estimate the national impact of fraud. Reflecting on these figures together with the periodic results from SPD exercises demonstrates that the CAFT more than pays for itself every year in direct activity and contributes additional fraud / loss avoidance through fraud awareness training, policy review and advice.

11.   Risk Considerations

11.1   Somewhat obviously, the process prompted by this work is focussed entirely on the effective assessment of fraud risk.

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Email: **robwinter@barnsley.gov.uk**
Date: **8th March 2021**

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 17th MARCH 2021

CORPORATE ANTI-FRAUD STRATEGY 2021 – 2023

1. **Purpose of the report**

1.1 This report presents the proposed Corporate Anti-Fraud Strategy for the Committee's consideration and comment.

2. **Recommendation**

2.1 **It is recommended that the Committee considers and comments on the proposed Corporate Anti-Fraud Strategy to be assured that it provides the appropriate framework to direct anti-fraud activity over the next 3 years.**

3. **Background**

3.1 The third Fighting Fraud and Corruption Locally Strategy (FFCL), which is produced by 'local government for local government', was published in 2020. This is prepared through CIFAS, a non-for-profit organisation originally created in the 1980s as the Credit Industry Fraud Avoidance Service, but now exists to protect its members and wider society from fraud and fraud-related crime by sharing fraud intelligence and building close and productive partnerships across the private, public, the third sector and law enforcement.

3.2 This FFCL Strategy has been used to frame our anti-fraud strategy adopting the structure across the recommended 5 pillars as included in the national strategy document;

Govern
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.

Acknowledge
Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.

Prevent
Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

Pursue
Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.

Local authorities have achieved success by following this approach; however, they now need to respond to an increased threat and protect themselves and the community.

The second new area that has appeared during the research recognises the increased risks to victims and the local community:

Protect
Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.

For a local authority this will also cover protecting public funds, protecting its organisation from fraud and cybercrime and protecting itself from future frauds.

4.   Delivering the Corporate Anti-Fraud Strategy

4.1   A dedicated team of three staff operate within the Internal Audit function. This provides effective linkages and synergies between the functions. A detailed operational plan is being prepared alongside the Internal Audit plan for 2021/22 which will be presented to the Committee at its June meeting and taking into account the comments made by the Committee.

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Date: 9th March 2021

Barnsley Metropolitan Borough Council
CORPORATE ANTI-FRAUD TEAM STRATEGY 2021-2024

INTRODUCTION

The Corporate Anti-Fraud Team supports the Council in its statutory obligations under Section 151 of the Local Government Act 1972 to ensure the protection of public funds.

Minimising fraud and irregularity is vital in ensuring resources intended to provide essential services to Barnsley residents are used for that purpose. Fraud committed against the Council is a theft of taxpayers' money, can cause reputational damage for the Council, a loss of confidence amongst the public or stakeholders, and have an adverse effect on staff morale. Through effective counter-fraud measures the Council can reduce the risk of error, loss and fraud. These include arrangements to acknowledge, deter, prevent, detect, investigate and prosecute wrongdoing.

The work of the Corporate Anti-Fraud Team (CAFT) supports the protection of public funds by providing a value for money counter fraud function for the Council. The team investigates allegations of frauds and irregularities, detects frauds and identifies losses enabling the recovery of Council funds. In addition, the team supports the application of appropriate sanctions including prosecution, caution, administrative penalty and disciplinary action.

OBJECTIVES OF THE CORPORATE ANTI-FRAUD TEAM STRATEGY

This counter fraud strategy is aligned to 'Fighting Fraud & Corruption Locally' (FFCL), the Local Government Counter Fraud and Corruption Strategy for the 2020s, which provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities.

The previous two FFCL strategies focused upon pillars of activity, or strategic objectives, where the Council concentrated its counter-fraud efforts. These were 'acknowledge', 'prevent' and 'pursue'. The FFCL strategy 2020 has been expanded to include two additional areas of activity that underpin tenets of those pillars; 'govern' and 'protect'.

GOVERN	ACKNOWLEDGE	PREVENT	PURSUE
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	Accessing and understanding fraud risks. Committing the right support and tackling fraud and corruption. Demonstrating that it has a robust anti-fraud response. Communicating the risks to those charged with Governance .	Making the best use of information and technology. Enhancing fraud controls and processes. Developing a more effective anti-fraud culture. Communicating its' activity and successes.	Prioritising fraud recovery and use of civil sanctions. Developing capability and capacity to punish offenders. Collaborating across geographical and sectoral boundaries. Learning lessons and closing the gaps.

PROTECTING ITSELF AND ITS RESIDENTS
Recognising the harm that fraud can cause in the community.
Protecting itself and its' residents from fraud.

THE STRATEGIC APPROACH

The CAFT's strategy, and work programme, is based upon the five themes: Govern, Acknowledge, Prevent, Pursue and Protect.

GOVERN

The foundation of the Strategy is that those who are charged with Governance support the activity by ensuring that there are robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

Beating fraud is everyone's business, and the Council has internal arrangements which are communicated throughout the organisation to demonstrate the culture and commitment to preventing fraud.

The Council has a robust framework of procedures and policies, which combine to act as an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption.

GOVERN

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

Additionally, the Corporate counter fraud framework provides a whole range of high-level parts, which contribute to the Council having an effective counter-fraud strategy.

ACKNOWLEDGE

To create a counter-fraud response, an organisation must acknowledge and understand fraud risks and then demonstrate this by committing the right support and appropriate resource for tackling fraud.

The Corporate Anti-Fraud Team will follow three key workstreams that;

- seek to identify fraud risks across the organisation,
- assess fraud control activities and their effectiveness, and
- dedicate the right level of resource to investigating and detecting fraud where reported

The management teams of the Council's twelve business units will complete an annual fraud risk assessment to identify the possible frauds to which the service may be exposed to. The assessment estimates both the potential impact of a given fraud and the likelihood of it occurring.

ACKNOWLEDGE

Accessing and understanding fraud risks.

Committing the right support and tackling fraud and corruption.

Demonstrating that it has a robust anti-fraud response.

Communicating the risks to those charged with Governance .

The results of the assessments will enable the Council to better understand the fraud-threat environment in which it operates. The assessments will also be used as a tool to assist in focusing resources on the most relevant fraud risks.

Reactive referrals are often the primary source of work for the Corporate Anti-Fraud Team. It is often the alertness of the public or employees that generate these referrals and enables detection to occur.

2
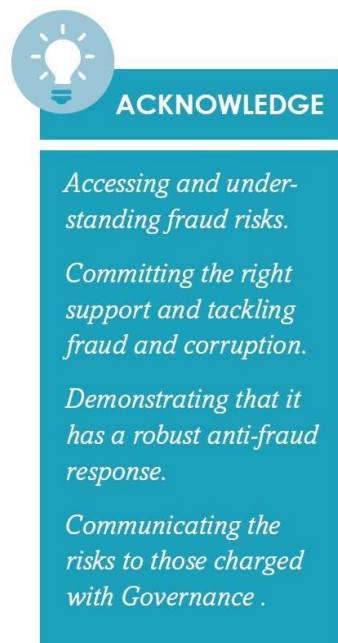
PREVENT

Fraud can be prevented and detected by enhancing fraud controls and processes, making better use of information and technology and developing a more effective anti-fraud culture.

The Council has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the Council's financial affairs and aims to have sound financial systems and procedures which incorporate efficient and effective internal controls.

The Council promotes an anti-fraud culture across the borough by publicising the impact of fraud on the community.

The Council's counter fraud framework encompasses all stages of the anti-fraud cycle: prevention, detection, investigation, recovery and sanction. While prevention should remain one of the most important objectives of the Strategy, it is deemed appropriate to also focus efforts on detection. In particular, by encouraging internal and external reporting of any possible case of fraud as well as proactive random verifications in some areas.

PREVENT

Making the best use of information and technology.

Enhancing fraud controls and processes.

Developing a more effective anti-fraud culture.

Communicating its' activity and successes.

PURSUE

Whilst preventing fraud and corruption from happening in the first place is the Council's primary aim, it is essential that a robust enforcement response is available to pursue fraudsters and deter others.

The Council will always seek the strongest possible sanction against any individual or organisation that defraud or attempt to defraud the Authority. Any decision to take legal action against offenders is made per the Code for Crown Prosecutors.

A further element of the Council's response to tackling fraud is seeking financial redress. The recovery of defrauded monies is an integral part of the Strategy, and action will be taken to recover losses. Where criminality has been proven then the Proceeds of Crime Act 2002 will, where appropriate, be used to recover funds.

Other methods of recovery may include, but are not confined to, civil proceedings; unlawful profit orders and compensation orders.

PURSUE

Prioritising fraud recovery and use of civil sanctions.

Developing capability and capacity to punish offenders.

Collaborating across geographical and sectoral boundaries.

Learning lessons and closing the gaps.

PROTECT

The Council protects itself against serious and organised crime, helps to protect individuals from becoming victims of crime and recognises the harm that fraud can do to the community.

PROTECTING ITSELF AND ITS RESIDENTS
Recognising the harm that fraud can cause in the community. Protecting itself and its' residents from fraud.

3

ACTION AND REVIEW

An Action Plan summarising the activities required to achieve the objectives of the strategy is attached at Appendix A.

Progress against the priorities and the plan will be reported half-yearly to the Audit and Governance Committee and will be subject to continuous review.

In addition to demonstrating how we are delivering against our strategic and operational objectives the plan will also allow us to;

- adapt to emerging threats and issues and address current and future fraud risks across the Council;
- assess, analyse and report on existing and future fraud risks affecting the Council; and
- identify requirements for future counter fraud work.

CORPORATE ANTI-FRAUD TEAM STRATEGY: DELIVERY PLAN

STRATEGIC OBJECTIVE	KEY AIMS	TARGET ACTIVITY
GOVERN		
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation	The Council has a counter fraud framework of policies and procedures which show its commitment to fraud prevention and detection.	An annual review of the following key documents which form the Council's Counter Fraud Policy Framework will be undertaken: • Corporate Anti-Fraud and Corruption Policy and Strategy; • Anti-Bribery Policy; • Prosecutions Policy; • Corporate Fraud Response Plan; • Confidential Reporting (Whistleblowing) Policy; • Anti-Money Laundering Policy The reviews will ensure that the documents are updated with any legislative or regulatory changes.
ACKNOWLEDGE		
Accessing and understanding fraud risks	Fraud and corruption risks are considered as business risks and are managed as part of the organisation's risk management process. The CAFT will provide advice, knowledge and support to management in assessing fraud risks.	A Fraud Risk Assessment (FRA) has been developed with useful prompts to ensure fraud risk is both fully understood and considered by senior managers. The document includes a broad checklist of potential fraud, corruption and bribery risk areas. These have been filtered to cover all Business Units and Service Areas. Each fraud risk is 'scored' which then generates an overall score and a visual indication of the relevant level of fraud risk. Management's consideration of fraud risk issues will contribute to the following:- • Raising awareness for the Annual Governance Statement process; • Contribute to the corporate risk management process and wider governance assurance framework; • Influence HR and IT use policy and guidance reviews; • Influence Financial procedures reviews; • Assist in Internal Audit work planning for proactive anti-fraud work.

5

STRATEGIC OBJECTIVE	KEY AIMS	TARGET ACTIVITY
Committing the right support and tackling fraud and corruption.	There is a commitment to reduce the risk of fraud and corruption. This is demonstrated by the investment and application of resources within the Council. The Council utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation.	All members of the Corporate Anti-Fraud Team are qualified Accredited Counter Fraud Specialists. Promote the Council's suite of counter fraud policies, procedures and e-learning using internal publicity to reinforce messages about the standards of behaviour expected from Council employees, ways to consider fraud risks and how/when to report suspicions of fraud. The aim of the training is to stop fraud at the outset.
Demonstrating that it has a robust anti-fraud response	The CAFT will investigate allegations of fraud thoroughly and to the highest professional standards and, where appropriate, will seek the full range of civil, criminal and disciplinary sanctions.	Details of counter fraud activity are reported to the Audit and Governance Committee twice a year. The report includes details of assurance work, significant cases and the level of fraud loss.
Communicating the risks to those charged with Governance	The fraud risk assessments are integrated into the corporate risk management and wider governance framework.	
PREVENT		
Making the best use of information and technology	Continue to use and participate in existing technological methods of fraud prevention / detection. Identify, and where appropriate, adopt, new technological methods of fraud prevention and detection. Use security and fraud analytics to protect all physical, financial and	Identify technology, existing information, or new information that can be used to detect or prevent fraud. Once identified, evaluate their value in detecting fraud and implement where appropriate. Use data analytic techniques to try and isolate suspicious transactions or trends that represent potential fraud, and to improve the results of the fraud risk assessment. Continue to participate in the National Fraud Initiative data matching exercise. Where possible identifying improvements either in respect of data

STRATEGIC OBJECTIVE	KEY AIMS	TARGET ACTIVITY
	intellectual assets from misuse by internal and external threats. To be an active participant in the biennial National Fraud Initiative (NFI) exercise and to robustly investigate suspected cases of fraud identified through NFI.	supplied to the exercise or in processing the resulting data matches. Explore the use of other or new facilities provided by the National Fraud Initiative.
Enhancing fraud controls and processes	Preventing fraud through the implementation of appropriate and robust internal control measures: Counter fraud and corruption controls should be appropriate and robust. If they are not appropriate, time and resources will be wasted and if they are not robust, then they will be ineffective and could be by-passed. Having such controls not only deters potential fraudsters but also helps to raise the awareness of staff.	Review of existing controls and process connected with individual fraud investigations. Where weak controls and processes are identified recommend actions to improve the process and reduce the risk of further fraud. Review systems identified through the Fraud Risk Assessment process as potentially having controls and processes that are susceptible to fraud. The CAFT will continue to work with the Right to Buy team to conduct a detailed check into applicants who have, or are in the process of purchasing their council property in order to provide assurance that applications are genuine and bona fide. An audit of the Council's insurance claim handling arrangements (undertaken by an external claims handler) recommended the development of a formal counter fraud process to prevent and detect potential fraudulent claims. The CAFT will work with the Insurance Team to conduct a number of checks into submitted insurance claims in order to provide assurance that they are genuine and bona fide. The Principal Auditor (Corporate Anti-Fraud) is a member of the Council's Procurement Fraud Working Group. The group was formed in September 2020 in response to the MHCLG publication: 'Review into the Risks of Fraud and Corruption in Local Government Procurement'. The aim of the group is to review the Council's own 'state of health' in respect of this risk -

STRATEGIC OBJECTIVE	KEY AIMS	TARGET ACTIVITY
		specifically in terms of systems / processes and to identify what improvements can be made.
Developing a more effective anti-fraud culture	Develop a culture which is resilient to the threats of fraud and corruption by: • Recognising the risk of fraud and corruption and the harm it can cause to the organisation; • Ensuring the organisation is responsive to new fraud and corruption risks; • Providing visible support and resourcing for fraud awareness activity; • Supporting counter fraud and corruption training throughout the organisation and at all levels;. • Ensuring that governance papers, strategies and policies include fraud and corruption risks wherever relevant.	The CAFT will conduct an annual review of the Council's counter fraud policies and will communicate them across the organisation. The CAFT will review and refresh the suite of corporate anti-fraud e-learning which should be mandatory for relevant groups of staff.
Communicating its' activity and successes	Raise awareness of fraud and corruption both within the authority and in the community through running awareness campaigns and the publication of fraud successes in local and national media, including the use of all forms of social media.	The Council publishes successful prosecutions via press releases issued via the Corporate Communications Team. This may deter some members of the community from attempting to commit fraud against the Council and will evidence the Authority's commitment to investigating fraud and corruption. Following positive feedback from the Council's first Fraud Awareness Week held in 2018 the CAFT will co-ordinate and lead on future publicity campaigns.

STRATEGIC OBJECTIVE	KEY AIMS	TARGET ACTIVITY
PURSUE		
Prioritising fraud recovery and use of civil sanctions	Demonstrate a commitment to pursuing the full range of available sanctions (criminal, civil and disciplinary) against those found to have committed fraud and seek to recover funds that have been lost or diverted through fraud.	The CAFT will continue to pursue the use of a wide range of possible corrective actions, including: • Disciplinary action, including liaison with, and referrals to, professional bodies; • Civil action used to recover lost assets and investigation expenses; • Criminal action, including the prosecution of offenders and the recovery of lost assets using the Proceeds of Crime Act.
Developing capability and capacity to punish offenders	The Council will be 'tough on fraudsters' by punishing them more efficiently and effectively.	
Collaborating across departmental, geographical and sectoral boundaries	Working with internal colleagues, other local authorities and external agencies by sharing skills and learning, good practice and information.	The CAFT: • Have joint working protocols with the DWP to pursue council tax support and welfare benefit irregularities; • Have a protocol with South Yorkshire Police; • Will lead the Council's annual Fraud Awareness Week which includes joint working with other Council departments and Berneslai Homes; • Will explore ways of reporting and improving the function through benchmarking and trend analysis; • Will continue to liaise with the Cabinet Office (National Fraud Initiative) and National Anti-Fraud Network (NAFN) to detect fraud and share fraud/scam intelligence,
Learning lessons and closing the gaps	Use information identified during investigations, which relate to poor controls and therefore enabled the fraud, to prevent further losses.	CAFT investigation reports include recommendations to address weak system controls. Details of control weaknesses are also shared with Internal Audit (to consider for future audit plans) and will be acknowledged on the Business Unit Fraud Risk Assessment.
PROTECT		
Recognising the harm that fraud can cause in the community	The CAFT will work with Council colleagues and other agencies to	The CAFT will work with Council colleagues and other agencies to help them prevent and detect fraud at the earliest opportunity.

STRATEGIC OBJECTIVE	KEY AIMS	TARGET ACTIVITY
Protecting itself and its' residents from fraud	help them prevent and detect fraud at the earliest opportunity. To provide support and guidance across the community to help residents and other stakeholders protect themselves against fraud and advice on how to refer their concerns to appropriate bodies when fraud occurs.	To provide support and guidance across the community to help residents and other stakeholders protect themselves against fraud and advice on how to refer their concerns to appropriate bodies when fraud occurs.

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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