

## **CORPORATE AFFAIRS AND AUDIT COMMITTEE**

<b>Date:</b> Thursday 16th March, 2023 <b>Time:</b> 3.30 pm <b>Venue:</b> Mandela Room
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### **AGENDA**

1. Welcome and Evacuation Procedure
2. Apologies for Absence
3. Declarations of Interest  
To receive any declarations of interest.
4. Risk and Performance Management: Annual Assurance Report 2022 3 - 10
5. Annual Assurance Report for Business Continuity 11 - 16
6. Annual Report of the Senior Information Risk Owner (SIRO) 17 - 24
7. Health and Safety: Annual Assurance Report 2022 25 - 30
8. Internal Audit and Counter Fraud Progress Report 31 - 56
9. Update on 2020-2021 and 2021-2022 Audits  
Verbal Report
10. Appointment of Returning Officer and Electoral Registration Officer 57 - 60

11. Update on Section 151 Officer Arrangements

Verbal Report

12. Any other urgent items which in the opinion of the Chair, may be considered

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Wednesday 8 March 2023

MEMBERSHIP

Councillors B Hubbard (Chair), J Platt (Vice-Chair), T Higgins, C Hobson, T Mawston, D Rooney and M Storey

**Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Susan Lightwing, 01642 729712, [susan\\_lightwing@middlesbrough.gov.uk](mailto:susan_lightwing@middlesbrough.gov.uk)**

**MIDDLESBROUGH COUNCIL**

<b>Report of:</b>	Interim Head of Strategy, Governance and Information
<b>Submitted to:</b>	Corporate Affairs and Audit Committee
<b>Date:</b>	16 March 2023
<b>Title:</b>	Risk and Performance Management: Annual Assurance Report 2022
<b>Report for:</b>	Information
<b>Status:</b>	Public
<b>Strategic priority:</b>	Quality of service
<b>Key decision:</b>	No
<b>Why:</b>	Not applicable
<b>Urgent:</b>	Not applicable
<b>Why:</b>	Not applicable

#### Executive summary

This report sets out the governance arrangements that are in place in relation to performance management, risk management and programme and project management. The purpose of the report is to provide the committee with assurance that the Council has appropriate governance arrangements in place. The report also provides supporting information for the Annual Governance Statement which assesses compliance with good governance across the corporate governance landscape.

## Purpose

1. The purpose of this report is to outline the Council's approach to performance and risk management, to summarise activity in the past year and planned activity for 2023 to provide the Committee with assurance that the Council has robust arrangements in place for these disciplines.

## Background and relevant information

2. The Council's approach to these disciplines is articulated within the following policies:
  - Performance Management Policy;
  - Programme and Project Management Policy; and
  - Risk and Opportunity Management Policy.
3. In February 2020, revised versions of these policies were approved by the Executive to maximise their impact on the Council's strategic aims and priorities, as set out within the Strategic Plan.
4. These policies are scheduled to be reviewed during 2023 to ensure they continue to meet the organisation's needs in relation to these disciplines.

## Performance management approach

5. Full Council approved a Strategic Plan for the period 2021-24 on 24 February 2021, setting out nine strategic priorities for this period in the light of COVID-19 and other external factors.
6. At the 23 February 2022 meeting, Council was advised that an annual refresh for the Strategic Plan 2021-24 would not be brought forward and that as such the Strategic Plan would remain in place for 2022/23, to ensure that the Council has sufficient time to consider implications of national and potential forthcoming local changes on its strategic direction.
7. At a meeting of the Executive on 5 April 2022, a refreshed Strategic Plan workplan for the 2022-24 period and Directorate Priorities for 2022/23 was approved, which combined provide a cohesive approach to the delivery of key priority activities across Council services.
8. Significant work was also undertaken in the year to improve Directorate and strategic performance management, with the implementation of a monthly performance review cycle using an integrated performance dashboard drawn from a range of feeder systems which record different aspects of corporate performance.
9. The monthly performance cycle (based on a four-week month) is as follows:
  - Week 1** Feeder systems updated by responsible officers
  - Week 2** Directorate Performance Reviews using dashboard
  - Week 3** Feeder systems further updated following Directorate Performance Reviews
  - Week 4** LMT Performance Review using summary slide pack

10. The monthly Directorate and LMT performance reviews held throughout 2022/23 considered the following items on a 'by exception' basis, with only matters considered to require discussion or steer, raised:
  - actions agreed by the Executive (including responses to scrutiny reports);
  - the Strategic Plan workplan (both in terms of activity and outcomes);
  - Directorate priorities;
  - the Council's portfolio of programmes and projects;
  - compliance indicators (e.g. completion of audit actions); and
  - Directorate and strategic risk registers.
11. Where matters are not raised it is assumed that any delays are immaterial and will be 'course-corrected' at a local level by responsible Directorates.
12. The output from the monthly performance reviews is reflected in a quarterly update on wider corporate performance, to the Executive and Overview and Scrutiny Board; an approach which has served to significantly improve focus upon and strengthen delivery of corporate performance disciplines.
13. A refresh of the Strategic Plan was deferred in 2022/23 due to the need to consider the implications of several key White Papers over the past year, therefore the issue of articulating outcomes and measures, will be addressed in a full refresh of the Strategic Plan in 202/23.

### **Programme and project management approach**

14. The Programme and Project Management (PPM) policy and its underpinning framework provide a standardised approach to the governance of programmes and projects, including standard documentation.
15. Since the introduction of this policy in 2015, the Council's approach to PPM has matured and a number of improvements have been identified and implemented via the Portfolio Management Office (PMO).
16. All projects within the Council's portfolio continue to be connected to overarching programmes and portfolios wherever possible to clearly articulate their contribution.
17. At the time of writing there are projects in the portfolio that are being managed under the PPM framework. These projects are supported and monitored by the PMO and are reported by exception to the monthly Directorate and Leadership Team performance review meetings described earlier in the report and in the quarterly reports to the Executive and Overview and Scrutiny Board.
18. It should be noted that the Council's approach to PPM is also the base methodology for delivery of Strategic Plan workplan activities and all change and savings programme initiatives, requiring robust milestone delivery plans which are subject to the monthly performance management and governance regime for project delivery, as set out in detail in the PPM Framework.
19. For reference, this includes:

- Project / initiative business cases quality assured and assessed for viability
- Review of performance against time, scope, cost and benefit
- Management and mitigation of risks and issues
- Approvals for change controls

20. Monitoring of these activities will also be further strengthened through alignment with the new performance management arrangements planned for 2023/24.

21. In 2022 Veritau completed an audit of the BOHO X project, which was the subject of a separate report to this meeting in April 2022; the findings of which identified management actions to address and implement, throughout 2022/23.

22. All actions from that audit have now been implemented in full and are listed below:

<b>Audit actions</b>
<b>Action 1.1: Priority 1</b>
The PPMF will be updated to further clarify roles of elected members within programmes and projects, followed by briefings on the revised PPMF delivered for the Executive.
Training on the PPMF will be provided for both members and officers working on projects
The Monitoring Officer will write formally to all members and WLMT reiterate guidance, who will be required to formally accept and undertake to comply with the PPMF.
<b>Action 2.1: Priority 2</b>
The revised PPMF will require single decision logs for programmes and projects as well as a standardised project workbook, including standard log.
The PMO will implement a project health check schedule for the Councils portfolio of projects.
<b>Action 3.1: Priority 2</b>
The revised PPMF will include a standardised project workbook, including change control process.
Standard guidance to be issued to contractors re decision making / change controls.
<b>Action 4.1: Priority 2</b>
The Revised PPMF will require all decisions to be taken at the relevant Council board, include a standardised project workbook, including board agenda (links to action 3.1), with all decisions to be communicated to project teams by the Project Manager.
<b>Action 5.1: Priority 3</b>
The revised PPMF will require all risks to be reviewed at the relevant Council board.

23. The wider compliance of programmes and projects with the PPM framework will continue to be assessed periodically by the Council's internal auditor, Veritau, either through a scheduled audit or in response to specific governance concerns or requests from statutory or other senior officers.

24. The PPM Framework and associated project documentation will be further reviewed in 2023/24 and where appropriate, streamlined to ensure alignment with the new performance management arrangements currently in development.

### **Risk management approach**

25. During 2020 the Council's risk appetite was refreshed reviewed and revised to bring it in line with the Council's current financial standing so that risks are being captured and scored in line with this. All risk management documentation was also reviewed and updated to reflect these changes. On review, no changes were made to the Council's risk appetite during 2022. The purpose of strategic risk management is to capture the

most significant risks the organisation is exposed to that could impact on its ability to deliver the strategic priorities outlined in the Strategic Plan.

26. The Council uses risk registers to manage the various risks it identifies. During 2022 the Council implemented a heat map approach to group risks into themes.
27. These themes and movement within them were used to set out the risks facing the Council. During early 2023 a review of this approach was undertaken by senior officers and as a result further refinement of the approach will be made during 2023. This will be articulated within the refreshed Risk and Opportunity Management policy.
28. A summary of the Strategic Risk themes was considered every three months by the Executive as part of a report on performance against delivery of the Strategic Plan and other key performance measures, with the same report considered by Overview and Scrutiny Board.
29. The status of risks are reported by exception to the new monthly Directorate and Leadership Team performance review meetings described earlier in the report and in the quarterly reports to members.
30. The Council has in place a corporate Risk Management Group. This continues to meet on a quarterly basis to monitor risk management and to identify new and emerging risks to the organisation.

#### **What decision(s) are being recommended?**

31. That the Committee notes the arrangements in place to manage performance and risk management within the Council, progress in the past year, and plans to further strengthen those arrangements.

#### **Rationale for the recommended decision(s)**

32. To support the Committee in discharging its responsibility in relation to corporate governance, including performance and risk management.

#### **Other potential decisions and why these have not been recommended**

33. Not applicable.

#### **Impact(s) of recommended decision(s)**

##### **Legal**

34. The proposed activity is consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

##### **Strategic priorities and risk**

35. The processes set out within this report supports work to mitigate the risk of the Council not having adequate governance processes in place to ensure that compliance is in place with all relevant legislation.

## **Human Rights, Equality and Data Protection**

36. Not applicable.

## **Financial**

37. It is anticipated that all activities set out in this report are achievable within existing and planned budgets.



### **Actions to be taken to implement the decision(s)**

38. The activity outlined in the main body of the report will result in continued compliance with the Council's performance and risk management arrangements.

### **Appendices**

Not applicable

### **Background papers**

26/07/18	Corporate Affairs and Audit Committee	Annual Assurance Report: Risk
06/06/19	Corporate Affairs and Audit Committee	PMO Six monthly report
25/07/19	Corporate Affairs and Audit Committee	Annual Assurance Report: Risk
04/02/21	Corporate Affairs and Audit Committee	Performance and Risk Management: Annual Assurance Report 2020

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**MIDDLESBROUGH COUNCIL**



<b>Report of:</b>	Director of Legal and Governance Services (Monitoring Officer)
<b>Submitted to:</b>	Corporate Affairs and Audit Committee
<b>Date:</b>	16 March 2023
<b>Title:</b>	Business Continuity: Annual Assurance Report 2022
<b>Report for:</b>	Information
<b>Status:</b>	Public
<b>Strategic priority:</b>	Quality of service
<b>Key decision:</b>	No
<b>Why:</b>	Not applicable
<b>Urgent:</b>	Not applicable
<b>Why:</b>	Not applicable

#### Executive summary

This report sets out the arrangements in place to ensure the Council meets its legal obligations in relation to Business Continuity. The report sets out the Business Continuity governance framework, actions delivered during 2022 and planned actions for 2023.

This report provides supporting information for the Committee on business continuity activity which will be referenced in the annual governance statement.

## **Purpose**

1. The purpose of this report is to outline the Council's approach to business continuity management, summarises activity in the past year and planned activity for 2023, to provide the Committee with assurance that the Council has robust arrangements in place, as required by the Civil Contingencies Act 2004.

## **Background and relevant information**

2. The Council has a duty under the Civil Contingencies Act 2004 to develop and maintain business continuity plans to enable continued delivery of 'business critical functions' during a 'business interruption' event.
3. Business continuity planning is separate to emergency planning, which sets out how the Council responds to emergency incidents that impact on residents and businesses, though there will be times where the two disciplines interrelate.

### **The Council's approach**

4. The Council's Corporate Business Continuity Plan defines critical functions as those which, if interrupted could result in:
  - risk of serious injury;
  - risk of death;
  - massive financial losses; or
  - significant damage to the Council's reputation.
5. The Council will consider activating its business continuity plans if there is a business interruption event that:
  - is likely to last for more than half a working day;
  - affects a vulnerable group of service users;
  - impacts on the delivery of key critical activities;
  - restricts access to one of the key council buildings;
  - could generate significant damage to the Council's reputation; or
  - is highly likely to escalate into one of the above categories.
6. The Council has the following plans in place to respond to the variety of events that could occur:
  - the Corporate Business Continuity plan;
  - supporting Departmental Business Continuity plans;
  - Relocation Plan;
  - ICT Disaster Recovery Plan.
  - Fuel Plan;
  - Pandemic Plan.
7. The Council does not publish its business continuity plans as they outline sensitive information around its critical functions and their recovery that could be misused and contain personal information relating to employees that have agreed to share personal contact details to enable the Council to get in touch with them quickly in the event of

an incident. Therefore, the paragraphs below outline the content of the Council's plans only in broad terms.

8. The **Corporate Business Continuity Plan** is the overarching plan for the organisation. It sets out the structure used to identify and prioritise critical functions; mechanisms for enacting the plan; how all plans are maintained, tested and reviewed; and policies and procedures in place to support effective business continuity planning.
9. Supporting **Departmental Business Continuity Plans** set out detailed recovery arrangements for each critical function or activity, by Directorate of the Council, outlining information on buildings used to deliver the function or activity, staff information, key equipment and supplies, key records, ICT systems and other key contacts.
10. The **Relocation Plan** sets out how critical functions / activity would be relocated to other buildings within the Council's estate or employees sent home to work using agile working solutions, if one or more buildings became inaccessible.
11. The Council's approach is, in the main, not to write numerous plans for risks to critical functions. The ICT Disaster Recovery Plan, Fuel Plan and Pandemic Plan are exceptions to this rule, created in response to specific risks that have faced local authorities and the scale of the interruption that such events have and could cause.
12. The **ICT Disaster Recovery Plan** focuses on maintaining ICT for business critical functions, highlighting those applications which are hosted externally, and any services supported by the Council's key partners.
13. The **Fuel Plan** outlines how the Council would respond to a fuel shortage to ensure business critical staff are able to continue to do their work.
14. The **Pandemic Plan** was created in 2022 by merging two previously separate plans in relation to flu and Covid-19. The refresh reflected learning from COVID-19 pandemic and previous pandemics including but not limited to influenza and SARS.

### **Plan testing**

15. The Council aims to test its plans at least once every 12 months, or produces a lessons learned report if a live incident has occurred during the past year.
16. Due to the ongoing nature of the pandemic, no test was undertaken in 2022, however during 2023 a live test of business continuity is planned to ensure that senior managers understand their roles and responsibilities during an incident and to test the robustness of plans.

### **Review schedule**

17. In a normal planning cycle, business continuity plans are updated every six months, and reviewed on an annual basis (May and November) with the scale of the review dependent on the level of organisational change that has occurred in the intervening period. In some years this means that only minor updates (e.g. contact details) are required, in others fundamental reviews will be required to reflect changes to the

Council's structure or other significant developments e.g. where services have been outsourced, or brought back in house.

18. During the 2022 annual review of plans, there was an increased focus on the impact loss of power could have on critical activities to ensure services planned effectively for this event.

### **Activity in 2022/3**

19. The following actions were delivered during 2022 to ensure good governance in relation to business continuity.

#### *Testing*

20. Generator failover tests were carried out at both of the Council's data centres during the summer 2022 which involved testing the resilience of the generators, Uninterrupted Power Supply (UPS) systems and also environmental (e.g. fire suppression) systems. This test ensured that in the event of a major power outage within the town or the loss of one of the data centres entirely, the other data centre will continue to support the Council's business critical applications, with no changes required.

#### *Documentation*

21. All Corporate Business Continuity Plans were updated in November 2022, refreshing the content, updating the formatting, contacts and aligning processes with best practice.
22. An update and full review of Directorate Business Continuity plans has been undertaken within the year to reflect changes in the service, location, employee details and to reflect the additional measures that would be required to ensure resilience to any loss of electricity.

#### *Communication*

23. A Business Continuity and Emergency Planning mapping portal has been built in the Council's mapping software, including flood plains, gritting routes, schools, Council buildings, care homes, this year this included the addition of area mapping for power cuts. The next steps in the development of this work are to identify any further data sources required such as critical infrastructure and COMAH sites. Once completed, access will be provided to the relevant individuals for use in emergency and / or business continuity incidents.

### **Business Continuity activities for 2023/24**

24. During 2023/24, further work will be undertaken to build on progress made in 2022/23 part of the Council's commitment to continual improvement in business continuity planning.

### *Training*

- Officers plan to undertake a cyber-attack/power cut exercise on a key system as the next ICT Disaster Recovery Plan exercise to test its effectiveness.
- Increase the number of trained loggists to support Business Continuity responses in an invocation.
- Refresh training to implement an eLearning package range in relation to Business Continuity capturing basic awareness raising and advanced practice.
- Produce and deliver loggist training to all nominated loggists within the Business Continuity Teams.

### *Documentation*

- Undertake the annual full review and update of all business continuity plans to ensure they remain fit for purpose.
- Battleboxes to be updated by business-critical services to enable service delivery to be maintained in the event of a cyber-attack or power cut.
- Revision of plans to reflect occupation of the new main offices this year.
- Establish a corporate Business Continuity room in Fountain Court and refresh plans for the relocation site to ensure both are fully equipped to respond to a business interruption.

### *Communication*

- Communications Plan for Business Continuity to be enhanced to cover communications in the absence of ICT system.

### **What decision(s) are being asked for?**

25. That the Committee notes the arrangements in place to manage business continuity within the Council, progress within the last year, and plans to further strengthen those arrangements.

### **Rationale for the recommended decision**

26. To support the Committee to discharge its responsibility to maintain an overview of corporate governance within the Council, which includes business continuity management.

### **Other potential decisions and why these have not been recommended**

27. Not applicable.

### **Impact(s) of recommended decision(s)**

#### **Legal**

28. Business continuity is a part of corporate governance, and the Council has a legal duty to ensure arrangements comply with the requirements of the Civil Contingencies Act 2004.

## Strategic priorities and risks

29. Business continuity management positively impacts on risks within the Council's risk registers, primarily the risk that the Council fails to achieve good governance.

## Human Rights, Equality and Data Protection

30. There are no direct implications from this report on human rights, equality and diversity or Data Protection.

## Financial

31. There are no new direct financial considerations in relation to business continuity management as a result of this report. By having robust plans in place, the Council will be better placed to mitigate financial impacts from any interruption event.

## Actions to be taken to implement the decision(s)

32. Following endorsement of the Council's approach, actions will be taken during 2023/24 to further strengthen business continuity management, as outlined in the report.

## Appendices

Not applicable

## Background papers

Body	Report title	Date
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	31 March 2022
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	4 February 2021
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	19 December 2019
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	6 December 2018

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Interim Head of Governance Policy and Information
<b>Submitted to:</b>	Corporate Affairs and Audit Committee
<b>Date:</b>	16 March 2023
<b>Title:</b>	Annual Report of the Senior Information Risk Owner (SIRO)
<b>Report for:</b>	Information
<b>Status:</b>	Public
<b>Strategic priority:</b>	All
<b>Key decision:</b>	Not applicable
<b>Why:</b>	Report is for information only
<b>Urgent:</b>	No
<b>Why:</b>	N/A

#### Executive summary

This report sets out arrangements in place to ensure the proper governance of information within the Council, progress made within the 2022 calendar year, risks and issues arising, and priorities for 2023.

This report provides assurance to the Committee that information governance (IG) policy and practice within the Council is in line with legal obligations, and consistent with the principles of good governance.

## **Purpose**

1. To advise the Corporate Affairs and Audit Committee of arrangements in place to ensure the proper governance of information within the Council, progress made within the 2022 calendar year, risks and issues arising, and priorities for 2023.

## **Background and relevant information**

### **Report background**

2. The Council must create, protect, manage, share and disclose information in line with a complex legal framework. This report deals principally with information governance arrangements relating to the following, and the risks arising from:
  - Data Protection Act 2018 (DPA);
  - UK General Data Protection Regulation 2016 (UK GDPR);
  - Privacy and Electronic Communications Regulations 2003 (as amended);
  - Environmental Information Regulations 2004 (EIR);
  - Freedom of Information Act 2000 (FOI);
  - Regulation of Investigatory Powers Act 2000 (RIPA); and
  - Protection of Freedoms Act 2012 (PoFA).
3. The Council's activity in this area is largely regulated by the Information Commissioner's Office (ICO), with the Investigatory Powers Commissioner's Office (IPCO) acting as the regulatory body for RIPA and compliance with the Surveillance Camera Code of Practice and the relevant provisions of PoFA encouraged by the Biometrics and Surveillance Camera Commissioner.
4. The Interim Head of Governance Policy and Information acts as the Council's Senior Information Risk Owner (SIRO) / Senior Responsible Officer (SRO) for Biometrics and Surveillance and RIPA, and is the owner of the Council's Information Strategy. The SIRO advises the Chief Executive and the Council's management team on information risk, reporting quarterly to the internal risk management group and annually to Leadership Team and to this Committee.

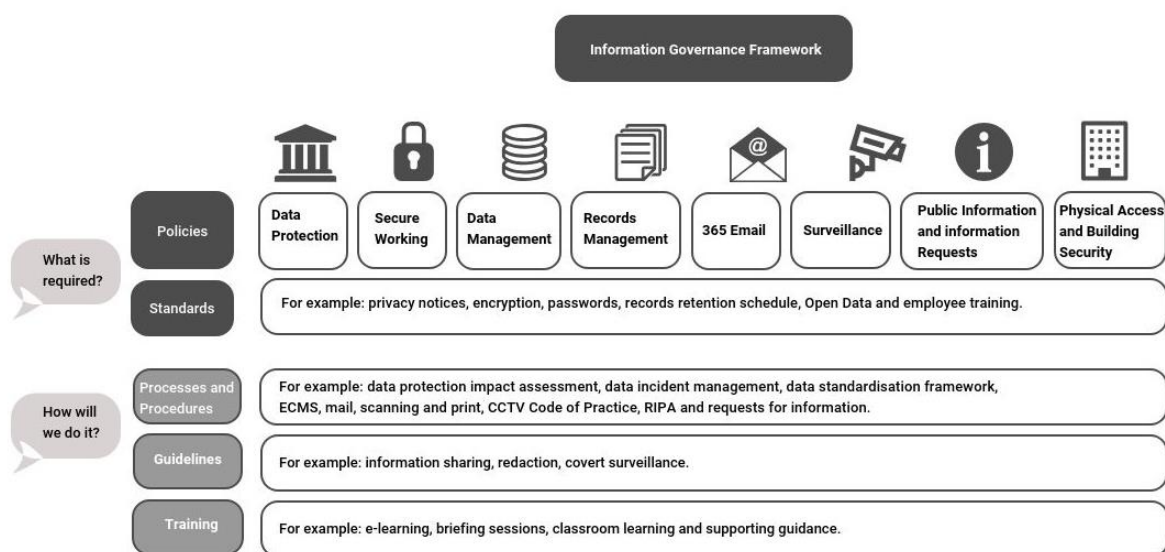
## **Compliance, issues and risks in 2022**

### ***ICO consensual audit***

5. In 2019 and 2020 the Council invited the Information Commissioner's Office (ICO) to undertake a consensual audit of its data protection arrangements which provided a 'reasonable' level of assurance (the second highest of the ICO's ratings, behind 'high').
6. Only 2 of the original 63 recommendations remain open which relate to standard user profiles and access rights audits across the 150 electronic systems identified in the Council's applications portfolio. Following a period of procedural development, these actions will be implemented in 2023/24 via the Council's new Information Asset Owner (Heads of Service) Handbook approach.

## Information Governance Framework

7. The Council has in place an Information Governance Framework (IGF) to ensure appropriate governance arrangements are in place.



## Statutory information requests

8. To improve effectiveness and timeliness against our statutory responsibilities for information requests the Council have increased the capacity of the corporate team and enhanced support to services, to enable a greater focus on compliance with requests in time. The team also use the new capabilities available to them to gather information pre-emptively available to speed up requests, including within the Microsoft 365-environment using the e-discovery capabilities.
9. Children's Services subject access requests (SARs) performance has significantly improved. Investment, including use of external resources has been used to significantly improve compliance. Overall, with 50 out of 59 requests in the last 12 months being completed within time. While 9 exceeded the statutory timescales, the number of days by which they exceeded these timescales was significantly reduced compared to previous years. The Children's Services directorate has mainstreamed a post that has proven will ensure the long-term efficacy of SAR responses.
10. Performance reporting also shows an increase in FOI/EIR compliance:

Reporting	No of FOI requests	% in time
Q2 2022	173	84%
Q3 2022	215	86%

## Physical access

11. The Council has a range of policies and procedures in place which manage building security and access to Council sites, along with a building manager model. During 2022 the Council's main office space was moved from the Civic Centre to Fountain Court. One of the key aspects of this move was ensuring that physical access security was embedded within the design and that the supporting model also

reflected the changes to the way most office-based staff are now working. During 2023 work is ongoing to refine this approach.

### ***Surveillance policy***

12. The Council continues to operate an integrated Surveillance Policy which sets out how and when surveillance would be authorised, conducted, reviewed and reported. During 2023 a priority for the team will be to further develop training in relation to surveillance to ensure that key staff understand when they are likely to undertake an action which should be assessed using this policy. In line with best practice, the policy was reviewed in December 2022 by the Executive Member for Finance and Governance. The next review will be undertaken in December 2023.

### **Information Strategy**

13. In November 2018, LMT agreed an Information Strategy for the Council for the period 2018-2022. The strategy vision is that the right information will be available to the right users, at any time, accessible from anywhere, underpinning the achievement of the Council's strategic objectives. That strategy has now lapsed. During 2023 a refreshed approach to Information Strategy will be developed alongside the refresh of the Strategic Plan to ensure the operational aims of the Council align with the Strategic vision set by Members.

### **Information asset registers**

14. The Council's information asset registers were significantly developed in previous years and reviewed/consolidated with UK GDPR 'Records of Processing Activity' in 2019/20. Various in-year updates by individual Information Asset Owners will need to be merged with changes as a result of the Council's accommodation strategy, bulk transfer of records to digital formats, procurement of electronic systems – including the SharePoint Online migration (see below) and decommissioning of others.

### **Information security**

15. The table below summarises the number of personal data breaches and ICT/other security incidents (those involved lost or stolen ICT hardware or physical building security incident).
16. Reported personal data breaches have decreased by 20% on the previous year, while ICT/other security incidents have increased, largely owing to more reports of lost or stolen ICT hardware devices. Investigations were undertaken into every report to identify any areas of concern. It was clear from those investigations that blended working is not a factor in these incidents. The risk of data loss, because of loss or theft is significantly reduced by ICT safety measures in place. All devices are encrypted by default, the Council has the capacity to remotely delete content and bar devices. The Council also has strong password or PIN protections in place and voluntary facial recognition on newer laptops has further improved device security and access.
17. Only two personal data breaches were reported to the ICO in 2022. One incident involved the theft of ICT hardware and paperwork from a staff member's home and a second was for the disclosure of a child's care placement address. The ICO reviewed

both incidents and was satisfied with the Council's proactive containment and response and decided to take no further action.

Reporting by Year	Personal data breaches	ICT/other security incidents
2021	100	8
2022	80	19

### ***Cyber security***

18. Ransomware and state-sponsored attacks continue to dominate the threat landscape and in response, the Council now has a list of 16 countries from which internet traffic is blocked. Over the next year the Council's geo-location posture will be further enhanced through an exercise which will define connections with countries, aligned to provision of a specific service.
19. Within the context of rising threat levels globally, the Council continues to maintain a strong cyber security stance. No systems, services, or information (whether on premises or in the Cloud) were compromised during the year and all hardware and software continues to be supported, updated, and patched, in-line with the Council's policies.
20. As part of the Council's adoption of Microsoft 365 services, 'Conditional Access' has been implemented, which enables the Council to dictate how, when, where and from what device, a user can connect to resources, alongside the conditions to be met when using email, Teams, OneDrive and soon, SharePoint.
21. Between July and August 2022, the annual test of the ICT Disaster Recovery Plan for its data centres was successfully completed. No additional technical recommendations were noted as a result of the test and the annual maintenance schedule for critical infrastructure components was completed without issue.
22. In May 2022, ICT Services implemented MTA-STS; a new email standard to improve trust and enforce the use of Transport Layer Security (TLS) for email, enabling the Council to maintain the highest possible email domain security rating, which is assessed by the North East WARP (Warning Advice and Reporting Point) group.
23. During 2022, the Council's internal auditor Veritau assessed controls in relation to firewall change control processes, determining a 'strong assurance' rating on the measures in place.
24. The Council successfully retained its annual Public Services Network (PSN) compliance, confirmed in November 2022.
25. Discussions with a qualified assessor from Northumberland Police are underway as to whether Middlesbrough Council would benefit from retaining Cyber Essentials accreditation in 2023. Such accreditation tends to be more suitable for smaller organisations, with reduced portfolio of applications and associated security requirements. As an alternative, consideration of the international standard for information security management, ISO 27001 is being explored.

## ***Records management***

26. The Council continues to actively review its physical records and the storage and management options for them. The relocation of Council services to Fountain Court provided an opportunity in 2022 to further digitise records. The Council continues to assess records for digitising where there is a business case to do so. The advantage of digitised records is that their accessibility is increased and there is a reduced amount of physical storage space required. This is assessed against the costs of digitising.
27. Officers from ICT and Information Governance are working collaboratively to ensure good records management practice is embedded within the project to move to Microsoft SharePoint.
28. The team continue to complete ad hoc data audits where necessary to improve practice. One audit was completed during 2022 and all actions have been implemented as a result.
29. From time to time the Council will receive a direction to hold documentation for longer than the planned retention schedule, to support a national inquiry. Since this was last reported to the Committee, the requirement to retain documentation in relation to the Independent Inquiry Child Sexual Abuse (IICSA) has been ceased. During 2022 all councils received a direction to retain certain documentation in relation to Covid-19 by the UK Covid-19 inquiry.

## **Data protection**

30. Other than the main focus around incidents and rights requests, the Council's data protection activity over 2022 has involved strengthening governance of mandatory training and internal guidance, transparency obligations, information sharing arrangements, compliance checks on contractors and others, and data protection impact assessments (DPIA).
31. Mandatory training compliance has improved with more directorates achieving and maintaining a rolling 95% of staff completions. The Council's suite of privacy notices has become more granular in line with ICO guidance and over 70 operational notices are now being maintained for individual services and thematic local authority functions.
32. A number of detailed agreements with a wide variety of partner organisations across various sectors, have been reviewed and updated or put in place to support lawful and ethical information sharing as part of normal service delivery.
33. Changes to streamline the DPIA process have ensured a balance is maintained between the efficiency of business management and the efficacy of risk controls. Similarly, the approach to legally required compliance checks and contracts with suppliers and others has been streamlined and diversified to make sure that checks are proportional and targeted where needed.

## **Priorities for 2023**

34. The key priority during 2023 will be to refresh the Information Strategy of the Council. As referenced within the body of this report, the refresh is being timed to ensure that the new strategy reflects the refreshed strategic plan vision of the Council which will be delivered in 2023 to ensure the strategy aligns with that.
35. The second priority of the organisation will be the successful delivery of transition to SharePoint. As set out above, SharePoint will transform how the Council stores, shares and uses data on a day-to-day basis. Information governance considerations are embedded within the scope of the project to ensure that the benefits of SharePoint are maximised while ensuring a robust approach to information governance and security.

**What decision(s) are being recommended?**

36. That the Corporate Affairs and Audit Committee notes the position in respect of information risk set out in the report.

**Rationale for the recommended decision(s)**

37. To support the Committee in discharging its responsibilities in relation to corporate governance, which includes information governance.

**Other potential decision(s) and why these have not been recommended**

38. Not applicable.

**Impact(s) of the recommended decision(s)**

***Legal***

39. IG is governed by UK legislation, regulation, statutory guidance and case law. This report sets out, at a high level, measures that the Council is taking and plans to take in order to ensure ongoing compliance with this legal framework.

***Strategic priorities and risks***

40. Improved information governance will underpin the delivery of all strategic priorities and ensure good risk management.

***Human Rights, Equality and Data Protection***

41. Not applicable.

***Financial***

42. It is anticipated that all activity set out in this report is achievable within existing and planned budgets.

**Actions to be taken to implement the recommended decision(s)**

43. Not applicable, as the report advises the Committee and seeks comment. The activity outlined in the main body of the report will ensure good governance relation to information governance

## Appendices

No appendices.
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## Background papers

Body	Report title	Dates
Corporate Audit and Affairs Committee	Annual Report of the SIRO	08/02/2018 07/02/2019 06/02/2020 21/04/2021 17/03/2022

**Contact:** Ann-Marie Johnstone, Interim Head of Governance Policy and Information  
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<b>Report of:</b>	Director of Legal and Governance Services (Monitoring Officer)
<b>Submitted to:</b>	Corporate Affairs and Audit Committee
<b>Date:</b>	16 March 2023
<b>Title:</b>	Health and Safety: Annual Assurance Report 2022
<b>Report for:</b>	Information
<b>Status:</b>	Public
<b>Strategic priority:</b>	Quality of service
<b>Key decision:</b>	No
<b>Why:</b>	Not applicable
<b>Urgent:</b>	Not applicable
<b>Why:</b>	Not applicable

### Executive summary

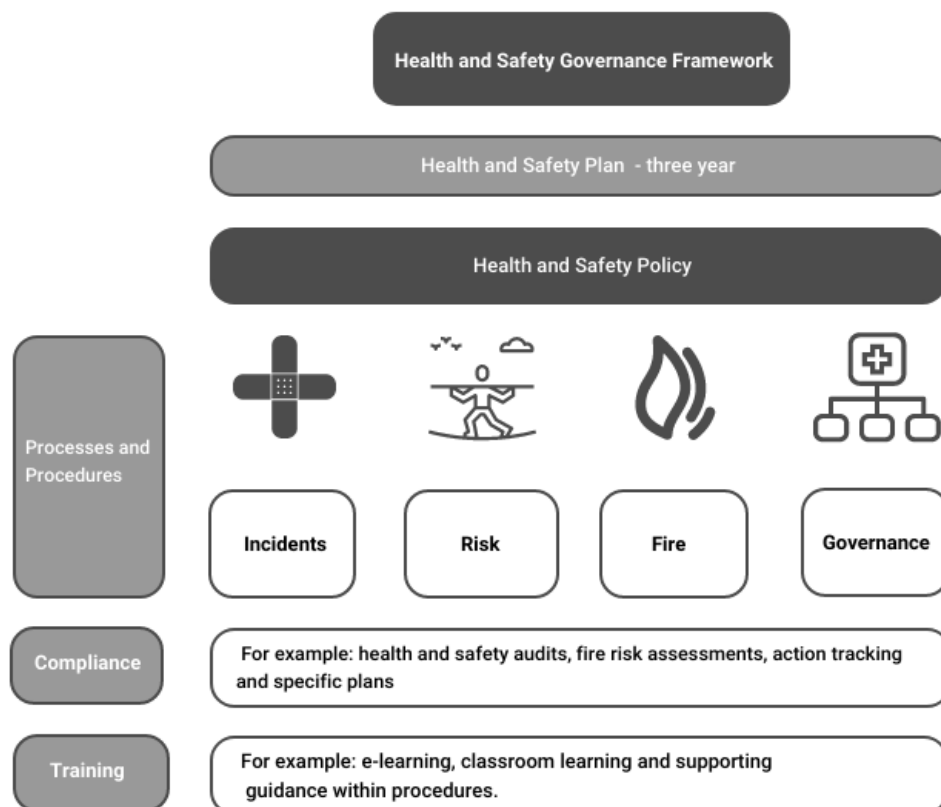
This report sets out the arrangements in place to ensure the Council meets its legal obligations in relation to health and safety. The report sets out the Health and Safety governance framework, actions delivered during 2022 and planned actions for 2023.

## Purpose

1. The purpose of this report is to outline the Council's approach to health and safety management and summarise activity in the past year and planned activity for 2023, in order to provide the Committee with assurance that the Council has robust arrangements in place, as required by the Health and Safety Act 1974.

## Background and relevant information

2. Health and safety management is the collective responsibility of all elected members and officers of the Council, with key statutory responsibilities falling to the Chief Executive and management as the employer.
3. The Council has in place the following governance framework structure to oversee health and safety, ensure compliance with legal requirements and deliver ambitions in relation to Health and Safety.



## Progress in delivering the Plan during 2022

4. The Health and Safety Plan within the above diagram sets out the Council's plans in relation for a three-year period and is supported by an action plan which is reviewed annually. Progress on these actions is set out below.
5. The digitised health and safety management application (My Compliance) has continued to be developed and its processes embedded within day-to-day risk management.

6. As a significant level of data has been built up in the system it has enabled the Council to improve the intelligence it can develop from:
  - incident reporting and investigation;
  - health and safety audits;
  - fire risk assessment; and
  - action tracking.
7. This has been used to improve understanding of the impact of violent incidents, unblock systematic issues to improve compliance and increase Officer and Member visibility and oversight.
8. Regular reviews of underpinning documentation with the governance framework are undertaken. During 2022 the Control of Substances Hazardous to Health (COSHH) procedures were refreshed.
9. Reporting content for oversight of health and safety has also been refreshed, utilizing the new capabilities of My Compliance and Power BI to enable reports to focus on the lessons to be learned, trends and areas of concern, while providing assurance as to the robust datasets in place to track health and safety compliance.
10. A key focus of the team during 2022 has been the ongoing transition from Covid-19 to the new way of working and ensuring appropriate health and safety measures are embedded within that, as well as supporting the move of a significant number of staff and Members to Fountain Court.
11. The Council continues to deliver training and support to staff to ensure compliance with health and safety obligations and understanding of roles and responsibilities. In addition to the suite of e-learning materials that were already available to all staff, during 2022:
  - Leadership and Management Team members attended an accredited one day IOSH Leading Safety Course
  - face-to-face incident investigation awareness, evacuation chair and fire warden courses were delivered to supplement e-learning
  - e-learning resources were refreshed to enhance Manual handling training.

### **Health and safety activities for 2023**

12. During 2023, further work will be undertaken to build on progress made within the previous action plan as part of the Council's commitment to continual improvement in health and safety management.
13. The health and safety unit will continue to monitor and assist in developing the digital solution linking Power BI and My Compliance, to further develop business intelligence capabilities.
14. The following policies and procedures will be produced, reviewed and uploaded onto the intranet:
  - Personal Protective Equipment policy;

- Noise procedure; and
  - Vibration procedure.
15. To be compliant with legal duties, the Council must have in place a Legal register which provides details of legislation applicable to the Council. A gap analysis is currently underway to map leads for pieces of legislation, policies and procedures in place to regulate compliance and any gaps in those. Once complete and verified, actions will be brought forward if necessary to provide assurance around compliance.
  16. Detailed health and safety plans for each type of premises will be produced, incorporating both premises and service area health and safety considerations to further strengthen the Council's arrangements.
  17. Underpinning the procedures and training, as set out in the governance structure, are a series of audits that allow the Council to test compliance with health and safety good practice. These will continue to be delivered during the year, outcomes and actions tracked and used to shape future priorities.

### **Member and Officer Oversight**

18. In addition to this annual assurance report to this committee, information on health and safety compliance is reported on a quarterly basis to:
  - Departmental teams
  - The Leadership Management Team
  - The Corporate Health and Safety Steering Group which comprises Members and Trade Union representatives.

### **What decision(s) are being recommended?**

19. That the Committee notes the arrangements in place to manage health and safety within the Council, progress within the last year, and plans to further strengthen those arrangements.

### **Rationale for the recommended decision(s)**

20. To support the Committee to discharge its responsibility to maintain an overview of arrangements in place to ensure good governance.

### **Other potential decisions and why these have not been recommended**

21. Not applicable.

### **Impact(s) of recommended decision(s)**

#### **Legal**

22. Health and safety management is a part of corporate governance, and the Council has a legal duty to ensure arrangements comply with the requirements of the Health and Safety Act 1974.

### **Strategic priorities and risks**

23. Health and safety management positively impacts on the following risks within the Council's risk registers that relate to the management of health and safety in the workplace.

### **Human Rights, Equality and Data Protection**

24. There are no direct implications from this report on equality and diversity.

### **Financial**

25. There are no new direct financial considerations in relation to health and safety management as a result of this report. By having robust plans in place, the Council will mitigate the reputational and financial risks from health and safety incidents as far as reasonably practicable.

### **Actions to be taken to implement the decision(s)**

26. Not applicable.

### **Appendices**

None.

### **Background papers**

Body	Report title	Date
Corporate Affairs and Audit Committee	Health and Safety: Annual Assurance Report 2021	31 March 2022

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<b>Report of:</b>	Head of Internal Audit, Veritau
<b>Submitted to:</b>	Corporate Affairs and Audit Committee, 16 March 2023
<b>Subject:</b>	Internal Audit and Counter Fraud progress report

## Summary

Proposed decision(s)
<p>That the Committee:</p> <ul style="list-style-type: none"> <li>notes the progress of internal audit and counter fraud work in 2022/23 and the outcomes from work completed since the last report to this committee.</li> </ul>

Report for:	Key decision:	Confidential:
Information	n/a	No

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
Receiving details of internal audit and counter fraud work completed will help the Committee perform its role. Internal audit and counter fraud work contributes towards achieving the Council's priorities by identifying potential issues which may obstruct that achievement.	Internal Audit assists management in delivering their priorities by working to an annual programme of work that includes assignments linked to corporate risks and priorities, and which seeks to add value by assessing the quality of controls, ensure value for money and achieve better outcomes for local people.	Delivering balanced budgets, maintaining front line services, and addressing budget shortfalls are priorities for the Council. Ensuring appropriate controls are in place and preventing fraud from occurring and recovering loss helps the Council achieve these aims.

Ward(s) affected
None.

### **What is the purpose of this report?**

1. To provide Members with an update on progress with the delivery of internal audit and counter fraud work and on reports issued and other work completed since the last update report to this committee.

### **Why does this report require a Member decision?**

2. Internal audit professional standards require that internal audit reports to the committee on progress with the delivery of audit plans and on the findings and conclusions from work completed.

### **Report Background**

3. Internal audit provide independent and objective assurance and advice on the Council's operations. It helps the organisation to achieve overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
4. The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
5. Fraud is a significant risk to the public sector. Annual losses are estimated to exceed £51 billion in the United Kingdom. Veritau are engaged to deliver a counter fraud service for Middlesbrough Council. The service helps the council to mitigate fraud risks and to take appropriate action where fraud is suspected.
6. The purpose of this report is to provide an update on internal audit and counter fraud work carried out in 2022/23. The Council's internal audit and counter fraud work programmes were approved by this Committee in April 2022.

### **Internal Audit Progress report**

7. The internal audit progress report is contained in annex 1. It reports on progress against the internal audit work programme. This includes a summary of current work in progress, internal audit priorities for the year, completed work, and follow-up of previously agreed audit actions.

### **Counter Fraud Progress report**

8. The counter fraud progress report is contained in annex 2. It reports on progress against the counter fraud work programme. A range of work is detailed including activity to promote awareness of fraud, work with external agencies, and information on the level of fraud reported to date.

### **What decision(s) are being asked for?**

9. That the committee:
  - notes the progress of internal audit and counter fraud work in 2022/23.



### **Why is this being recommended?**

10. Internal audit professional standards require that progress in delivering internal audit work, and the findings and outcomes from audit work are reported to the committee.

### **Other potential decisions and why these have not been recommended**

11. This report is for information. There are no other options available.

### **Impact(s) of recommended decision(s)**

12. There are no implications to this report in relation to:
  - ***Legal***
  - ***Financial***
  - ***Policy Framework***
  - ***Equality and Diversity***
  - ***Risk***
13. The Council will fail to comply with proper practice for internal audit if Members are not regularly updated on progress of and outcomes from internal audit work.

### **Actions to be taken to implement the decision(s)**

14. n/a

### **Appendices**

Annex 1 – internal audit progress report March 2023

Annex 2 – counter fraud progress report March 2023

### **Background papers**

No background papers were used in the preparation of this report

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# INTERNAL AUDIT PROGRESS REPORT 2022/23

Date: 16 March 2023

Annex 1





## BACKGROUND

- 1 Internal audit provides independent and objective assurance and advice about the Council's operations. It helps the organisation to achieve overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
- 3 The internal audit work programme was agreed by this committee in April 2022. The plan is flexible in nature and work is being kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the Council.
- 4 The purpose of this report is to update the committee on internal audit activity up to 28 February 2023.



## INTERNAL AUDIT PROGRESS

- 5 Since the last progress report to this committee we have continued to progress ongoing audit work as well as commencing new audits including audits of regeneration projects and domestic abuse. A summary of internal audit work currently underway, as well as work finalised during 2022/23 is included at appendix 1, below.
- 6 Our audits of senior management reviews and Middlesbrough Development Company are at draft report stage. Discussions are continuing with officers to reach agreement on the findings and these will be finalised as soon as possible.
- 7 Ongoing work continues with audits in Children's Services. An audit of commissioning is nearing draft report stage. The planned audit of demand management (incorporating budget management) will be revisited following the completion of the commissioning audit.
- 8 The work programme showing current priorities for internal audit work is included at appendix 2. Alongside the work in the 'do now' and 'do next' categories are indicative timescales for when work has commenced or is expected to commence and for when final reports will be produced. These timescales are subject to change and work priorities may also change during the year depending on an ongoing consideration of risk.
- 9 The programme includes a number of audits in the 'do later' category. The internal audit work programme is designed to include all potential areas that should be considered for audit in the short to medium term, recognising that not all of these will be carried out during the current year (work is deliberately over programmed). We are currently assessing which

of these audits will be included as a priority for audit in 2023/24 alongside any new and emerging audit areas identified as part of our continuous audit planning process.

- 10 We originally planned to do some of the audits in the 'do later' category during 2022/23, however time proposed for these has been spent on audits considered higher priority (senior management reviews, MDC) as well as additional time required on some audits where a Limited Assurance opinion was provided (burials, CCTV). We would be happy to take opinions from the committee on those audits in the 'do later' category that they consider should be an immediate priority for 2023/24.
- 11 Seven audit reports have been finalised since the last report to this committee in September 2022 and details of these are included at appendix 3.
- 12 Appendix 4 lists our current definitions for action priorities and overall assurance levels.

## FOLLOW-UP OF AGREED ACTIONS

- 13 All actions agreed with services as a result of internal audit work are followed up to ensure that underlying control weaknesses are addressed. A summary of follow up work is included at appendix 5.
- 14 A full follow-up review has also been completed for the limited assurance Use of CCTV audit completed in July 2021. A summary of the findings is included in appendix 3. The review found that some of the actions were complete; however two new actions have been agreed to address the remaining outstanding issues. These have implementation dates of March and September 2023.

## APPENDIX 1: 2022/23 INTERNAL AUDIT WORK

### Audits in progress

Audit	Status
Children's commissioning & contract management	In progress
Supplier relief	In progress
Tees Community Equipment Service	In progress
Council Tax and NNDR	In progress
Homecare	In progress
Schools themed audit – Schools Financial Value Standard	In progress
Disabled Facilities grant	In progress
Regeneration projects	In progress
Domestic abuse	In progress
Senior management reviews	Draft report issued
Middlesbrough Development Company	Draft report issued

### Final reports issued

Audit	Reported to Committee	Opinion
Project management – Boho X	July 2022	Limited Assurance
Asset maintenance	July 2022	Substantial Assurance
Teesside Pension Fund – overpayments	July 2022	Substantial Assurance
Schools themed audit – purchasing cards & asset management	July 2022	Substantial Assurance
Future High Streets Fund	September 2022	Substantial Assurance
Home working	September 2022	Substantial Assurance
ICT change management	September 2022	Substantial Assurance
Benefits - overpayments	September 2022	Substantial Assurance
Main Accounting	December 2022	Substantial Assurance
Teesside Pension Fund – investments	March 2023	Substantial Assurance
Firewalls (ICT)	March 2023	Substantial Assurance
Creditors	March 2023	Reasonable Assurance
Payroll	March 2023	Substantial Assurance
Burials	March 2023	Limited Assurance
Towns fund governance	March 2023	Substantial Assurance
CCTV (follow-up)	March 2023	No Opinion Given

**Other work in 2022/23**

Internal audit work has been undertaken in a range of other areas during the year, including those listed below.

- A review of grant claims including the Children's Services Practice Improvement grant, Green Homes grant, Adult Weight Management grant and claims relating to Scambusters.
- A review of returns completed by the Council for the Supporting Families scheme.
- A review of Covid grant schemes including Track and Trace and the Contain Outbreak Management Fund.
- Data analysis on debtors accounts to provide feedback on potential data errors including duplicate entries.
- Ongoing governance work relating to allegations made by former Executive members.
- An annual review of a number of trust funds administered by the Council.

## APPENDIX 2: CURRENT PRIORITIES FOR INTERNAL AUDIT WORK

Audit / Activity	Rationale for inclusion / change in priority	Expected / Actual start	Expected finish	Notes
<b>Corporate &amp; cross cutting</b>				
<b>Category 1 (do now)</b>				
Senior management reviews	Raised by the CAAC as an issue for review.	August 2022	March 2023	Report now in draft.
Supplier relief	Significant priority for the Council.	August 2022	March 2023	Ongoing – some information has been received but liaising with the external supplier has been difficult. We are discussing the outcomes with officers.
<b>Category 2 (do next)</b>				
Procurement cards	Requested by Children's DMT as an area of high risk and spend.	April 2023	June 2023	
<b>Category 3 (do later)</b>				
Financial planning and resilience Risk management	These areas continue to be a consideration for audit in the short to medium term but are lower			



Audit / Activity	Rationale for inclusion / change in priority	Expected / Actual start	Expected finish	Notes
Performance management and data quality Corporate governance Strategic planning Ethics and culture Local Plan strategy and development Budgeting and savings plans Partnerships Procurement and contract management Workforce planning HR Corporate complaints Information governance Democratic services and elections Environment and climate change Health and safety Business continuity	priority than other work included in the do now and next categories. We will re-evaluate their priority as part of the planning process for the 2023/24 audit work programme.			
<b>Financial / corporate systems</b>				
<b>Category 1 (do now)</b>				

Audit / Activity	Rationale for inclusion / change in priority	Expected / Actual start	Expected finish	Notes
Council Tax/NNDR	Key financial system.	February 2023	May 2023	Planning meeting held. Audit start was originally due to be January but February has been requested by the service.
<b>Category 2 (do next)</b>				
Debtors	Key financial system. This will follow on from some initial data analysis work.	February 2023	May 2023	We provided initial analysis work findings in June 2022. Work is planned to commence once we have agreed these finding with the service.
Benefits & Council Tax Support	Key financial system.	May 2023	July 2023	This will follow the council tax/NNDR audit as the same key officers are involved in both audits.
Teesside Pension Fund – Administration	Key financial system.	February 2023	May 2023	Planned to commence in February.
Main Accounting	Key financial system.	May 2023	July 2023	Planned to commence in May.
<b>Category 3 (do later)</b>				

Audit / Activity	Rationale for inclusion / change in priority	Expected / Actual start	Expected finish	Notes
Capital accounting and assets Treasury Management VAT accounting	These areas continue to be a consideration for audit in the short to medium term, but are lower priority than other work included in the do now and next categories. We will re-evaluate their priority as part of the planning process for the 2023/24 audit work programme.			
<b>ICT</b>				
<b>Category 1 (do now)</b>				
<b>Category 2 (do next)</b>				
Strategy and governance ICT risk management Patch management Cyber security	These audits are considered the next priority audits at this time based on current risk and other work ongoing. The next audits will be agreed with the ICT service.			
<b>Category 3 (do later)</b>				
None				
<b>Operational audits</b>				

Audit / Activity	Rationale for inclusion / change in priority	Expected / Actual start	Expected finish	Notes
<b>Category 1 (do now)</b>				
Children's Commissioning and Contract Management	Deferred from 2020/21. Links to the audit work carried out last year following the Ofsted inspection. There have been delays due to a lack of officer availability.	March 2022	March 2023	Fieldwork complete.
Middlesbrough Development Company	Significant priority for the Council.	August 2022	March 2023	Draft report issued.
Increase in demand (Children's Services)	Recognised nationally as a significant risk. The audit was originally planned as 'Children's caseload management'. The scope has now been agreed to include a budgetary control element.	TBC	TBC	We've agreed to reconsider this audit once the audit of commissioning is complete.
Tees Community Equipment Service	A review of the service along with compliance with financial procedures.	October 2022	March 2023	Fieldwork ongoing.
Homecare	A review of homecare payments was identified as an area for audit following other work; we have identified issues at other Councils.	November 2022	March 2023	Fieldwork ongoing.

Audit / Activity	Rationale for inclusion / change in priority	Expected / Actual start	Expected finish	Notes
Schools themed audit – School's Financial Value Standard	There have been changes to the requirements relating to related party transactions for schools and this will be considered as part of the audit.	November 2022	April 2023	Fieldwork ongoing.
Regeneration projects	An action from the Boho X audit report was to review the project management of other regeneration projects.	January 2023	April 2023	Fieldwork ongoing.
Disabled Facilities Grant	This has been raised as an area for review by the relevant DMT.	February 2023	May 2023	Fieldwork ongoing.
Domestic abuse	This has been raised as a national issue following the pandemic and raised as an area for review by the DMT.	February 2023	May 2023	Planning commenced
<b>Category 2 (do next)</b>				
Selective landlord licensing	This has been raised as an area for review by the relevant DMT.	April 2023	June 2023	Planned to commence in April.

Audit / Activity	Rationale for inclusion / change in priority	Expected / Actual start	Expected finish	Notes
<b>Category 3 (do later)</b>				
Transporter Bridge (follow-up) Social care referrals and assessments Legislative changes Recruitment and retention Liberty Protection Safeguards Substance misuse Transitions Hospital discharges Residential care Public health Environmental health Homelessness Special Educational Needs Exclusions (schools) Recruitment of foster carers Home to school transport Highways and fleet management Planning Economic development Town Hall strategic management	These areas continue to be a consideration for audit in the short to medium term but are lower priority than other work included in the do now and next categories. We will re-evaluate their priority as part of the planning process for the 2023/24 audit work programme.			

## APPENDIX 3: SUMMARY OF KEY ISSUES FROM AUDITS FINALISED SINCE THE LAST REPORT TO THE COMMITTEE

System/area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Key management actions agreed	P1 actions	P2 actions
Burials	Limited Assurance	Compliance with legislation, policies & procedures, issuing of burial certificates.	1 Dec 2022	There is no overarching strategy for the services and policies are not up to date. Same day burial services are not offered consistently and the gifts and hospitality policy were not always adhered to.	A strategy will be developed, and policies updated including the arrangements for same day burials. All relevant staff will be provided with sufficient training.	0	6
Firewalls	Substantial Assurance	Roles & responsibilities, changes to firewalls, rules and configurations.	15 Dec 2022	Systems are working well with few issues identified.	No P1/P2 actions agreed.	0	0
Payroll	Substantial Assurance	Production of payroll runs, changes to payroll, starters/leavers.	19 Dec 2022	Systems are working well with few issues identified.	No P1/P2 actions agreed.	0	0
Teesside Pension Fund – Investments	Substantial Assurance	Performance information, review of investment strategy,	22 Dec 2022	Systems are working well with few issues identified.	No P1/P2 actions agreed.	0	0

System/area	Opinion	Area reviewed	Date issued	Comments / Issues identified	Key management actions agreed	P1 actions	P2 actions
		management of investments.					
Towns Fund governance	Substantial Assurance	Compliance with key governance documents, performance monitoring.	5 Jan 2023	No evidence retained of declarations at the start of Board meetings.	A process for retaining declarations will be introduced.	0	1
Creditors	Reasonable Assurance	Changes to supplier details, separation of duties, ordering of goods and services, performance management.	18 Jan 2023	Regular performance monitoring has not been taking place.	Performance metrics will be agreed and reported upon.	0	1
CCTV (follow-up)	No Opinion Given	A follow-up of previously agreed actions relating to CCTV.	3 Feb 2023	A number of actions have been completed; two new actions have been agreed.	Code Assessment Packs will be completed for all schemes and an annual report will be produced.	1	1



## APPENDIX 4: AUDIT OPINIONS AND PRIORITIES FOR ACTIONS

Audit opinions	
Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.	
Opinion	Assessment of internal control
Substantial assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Priorities for actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

## APPENDIX 5: FOLLOW UP OF AGREED AUDIT ACTIONS

Where weaknesses in systems are found by internal audit, the auditors agree actions with the responsible manager to address the issues. Agreed actions include target dates and internal audit carry out follow up work to check that the issue has been resolved once these target dates are reached. Follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary. Where managers have not taken the action they agreed to, issues are escalated to more senior managers, and ultimately may be referred to the Corporate Affairs and Audit Committee.

### Actions completed

A total of 11 actions have been completed since the last report to this committee. A summary of the priority of the 11 completed actions are included below.

Actions agreed	
Priority of actions	Number of actions agreed
1	0
2	3
3	8
<b>Total</b>	<b>11</b>

Actions agreed by directorate						
Priority of actions	Adult Social Care	Children's Services	Environment and Community	Finance	Legal and Governance	Regeneration
1	0	0	0	0	0	0
2	0	1	0	1	0	1
3	0	1	0	3	4	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>1</b>

## Actions Outstanding

A total of 13 actions with original due dates that have passed are still outstanding. A summary of the priority of these actions is included below.

Actions agreed		Actions agreed by directorate						
Priority of actions	Number of actions agreed	Priority of actions	Adult Social Care	Children's Services	Environment and Community	Finance	Legal and Governance	Regeneration
1	5	1	0	0	5	0	0	0
2	6	2	0	0	5	1	0	0
3	2	3	0	0	0	1	1	0
<b>Total</b>	<b>13</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>0</b>

Of the 13 actions outstanding 12 have had a revised date agreed. The remaining action is currently being followed-up.

### Actions outstanding for more than 6 months (Priority 1 and 2)

Nine actions have currently been outstanding for more than 6 months. Of these, 8 relate to the audit of the Transporter Bridge and details have been reported previously to this committee. These relate to operational issues and will not be dealt with until the bridge is brought into operation for which there is no agreed date.

We will monitor the position and follow up again when there is a plan for it to become operational but will remove from follow up reporting to this committee until that point.

Details of the remaining action is included in the table below. A revised date has been agreed and we will follow this up when the new implementation date becomes due.

Audit	Priority	Original Date	Revised Date	Finding / Action	Reason for Delay
Debtors	2	Sep 21	Mar 23	The VAT Officer will investigate cases with incorrect VAT treatment identified during the audit and will provide further training and guidance for relevant staff.	A new VAT officer is now in place who will investigate and produce some key points on the incorrect VAT treatment with further training and guidance provided where necessary.

# COUNTER FRAUD PROGRESS REPORT 2022/23

Date: 16 March 2023

Annex 2





## BACKGROUND

- 1 Fraud is a significant risk to the public sector. The government estimates that the taxpayer loses up to £51.8 billion to fraud and error in public spending every year<sup>1</sup>. Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. We employ qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate any suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases
- 3 This report updates the Corporate Affairs and Audit Committee on counter fraud activity up to 31 January 2023.



## FRAUD MANAGEMENT

- 4 The Council's counter fraud framework was reviewed and updated in September 2022. This included an updated strategy action plan, anti-fraud, corruption, and bribery policy, and fraud risk assessment.
- 5 A key objective for the counter fraud team is to raise awareness of fraud with members of staff and the public, and to inform them of how to report fraud if they suspect it is happening. Fraud awareness training has been delivered to officers working within Human Resources, Adult Social Care, Legal, Finance, and Parking.
- 6 An awareness campaign informing staff of the Council's anti-bribery and anti-money laundering policies was delivered on 9 December to mark International Anti-Corruption Day. It followed previous awareness raising campaigns marking World Whistleblowers Day in June, Cyber Security Awareness Month in October and International Fraud Awareness Week in November.



## MULTI-AGENCY WORK

- 7 The National Fraud Initiative is a large-scale data matching exercise that involves all councils and other public sector bodies in the UK. The work of the NFI is overseen by the Cabinet Office and the exercise runs every two years. Data from a range of council areas has been sent to the Cabinet Office and initial results have been released. The exercise has produced 5000 matches to review. These will be undertaken by the counter fraud team and relevant council service areas.

<sup>1</sup> Fraud and Error (Ninth Report of Session 2021/22), Public Accounts Committee, House of Commons

## INVESTIGATIVE WORK

- 8 In 2022/23, the counter fraud team has received forty-three referrals of suspected fraud to date. These cover potential adult social care fraud, council tax reduction and debt recovery issues. Referrals have been made by members of staff, the NFI, and the public. Thirty-one investigations have been completed in the current financial year and there are currently twelve cases under investigation. To date, one person has been issued with a formal warning as a result of an adult social care investigation.
- 9 Working with Legal Services the team have assisted the Council to trace debtors. Information has been provided in connection with debts totalling £63k.

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<b>Report of:</b>	Chief Executive
<b>Submitted to:</b>	Corporate Affairs and Audit Committee
<b>Date:</b>	16 March 2023
<b>Title:</b>	Appointment of Returning Officer and Electoral Registration Officer
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Strategic priority:</b>	Quality of service
<b>Key decision:</b>	No
<b>Why:</b>	Not applicable
<b>Urgent:</b>	Not applicable
<b>Why:</b>	Not applicable

### Executive summary

The purpose of this report is to seek approval for the appointment of Charlotte Benjamin, Director of Legal and Governance Services, as the Returning Officer and the Electoral Registration Officer in accordance with the Representation of the People Act 1983.

Every Local authority must appoint a Returning Officer and an Electoral Registration Officer to be responsible for all local and national elections and referenda.

## **Purpose**

1. The purpose of this report is to seek the approval for the appointment of Charlotte Benjamin, Director of Legal and Governance Services as the Returning Officer and the Electoral Registration Officer in accordance with the Representation of the People Act 1983.

## **Background and relevant information**

2. Every district council in England is required by Section 35(1) of the Representation of the People Act 1983 Act to appoint an officer of the council to be the Returning Officer for elections of councillors of the county and every district council shall appoint an officer of the council to be the returning officer for the elections of councillors of the district and an officer of the council to be the returning officer for elections of councillors of parishes or communities within the district.
3. Section 8(2)(a) of the Act also requires the Council to appoint an officer to be the Electoral Registration Officer. The Electoral Registration Officer is responsible for the preparation and maintenance of the electoral register for any parliamentary constituency or part of a constituency within its area.
4. According to Section 24(1) (b) the returning Officer for Parliamentary Elections is Chair of the Council (John Hobson) who delegates authority for the management of the election to the Acting Returning Officer who is the Electoral Registration Officer.
5. According to Section 28(1) of the Act, only the Electoral Registration Officer may act as the (Acting) Returning Officer at Parliamentary elections, therefore It makes sense to ensure that one officer is appointed as both the roles and therefore responsible for all local and national elections and referenda.
6. Both of these roles are currently undertaken by the Chief Executive.
7. The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is responsible for:
  - the nomination process for candidates and political parties
  - provision and notification of polling stations
  - appointment of Presiding Officers and polling clerks
  - appropriate administration and security of polling stations
  - preparation of all ballot papers
  - the actual count and declaration of results
  - issue, receipt and counting of postal ballot papers
  - all candidates' election expenses returns
  - presentation of final accounts and,
  - reclaiming of expenditure from external bodies as prescribed.

8. It must be emphasised that these duties of the Returning Officer are separate from the officer's duties as a local government officer. The Returning Officer is personally liable for the conduct of the election, and only Council can designate an alternative Returning Officer to discharge these functions. This committee has delegated authority to consider and approve this appointment on behalf of the Council.
9. The Electoral Registration Officer is an official appointed by the Council to prepare and maintain the Register of Electors. If there were a legal challenge to any act of including or refusing to include somebody within the register of electors, it is the Electoral Registration Officer that would convene and conduct the hearing required by statute.
10. The legislative landscape with regard to electoral registration and the Management of elections has become increasingly complicated. Electoral Registration Officers and Returning Officers are now subject to monitoring by the Electoral Commission who have established appropriate performance standards.

#### **What decision(s) are being recommended?**

11. That the Committee appoints Charlotte Benjamin, Director of Legal and Governance Services as the Returning Officer and Electoral Registration Officer for the council.
12. Historically in Middlesbrough these roles sat with the Director of Legal & Democratic Services. The responsibility for the department dealing with elections falls under the remit of the Director of Legal and Governance Services and it is proposed that she now undertake these roles.
13. The Returning officer has the power to appoint deputies in the case of all elections.

#### **Rationale for the recommended decision(s)**

14. The efficient conduct of the electoral registration process and elections is one of the highest-profile functions that the Council undertakes. Any challenge to these processes could result in adverse publicity and legal sanction against the Returning Officer personally and the Council.
15. Therefore, the position of the Returning Officer and Electoral Registration Officer is usually undertaken by a senior officer of the Authority who has the ability to ensure that the appropriate resources and finances are available to ensure the efficient running of an election and remaining compliant with the Representation of the People Act 1983

#### **Other potential decisions and why these have not been recommended**

16. Not applicable.

#### **Impact(s) of recommended decision(s)**

**Legal**

17. Every district council in England is required by Section 35(1) of the Representation of the People Act 1983 Act to appoint an officer of the council to be the Returning Officer for elections of councillors of the county and every district council shall appoint an officer of the council to be the returning officer for the elections of councillors of the district and an officer of the council to be the returning officer for elections of councillors of parishes or communities within the district.
18. Section 8(2)(a) of the Act also requires the Council to appoint an officer to be the Electoral Registration Officer. The Electoral Registration Officer is responsible for the preparation and maintenance of the electoral register for any parliamentary constituency or part of a constituency within its area.

### **Strategic priorities and risks**

19. It is a statutory requirement for a local authority to appoint a Returning Officer and Electoral Registration Officer to be responsible for all local and national elections and referenda.

### **Human Rights, Equality and Data Protection**

20. There are no direct implications from this report on equality and diversity.

### **Financial**

21. There are no financial implications for the Council. The Returning Officer is paid on a scale fee basis as prescribed in legislation in respect of individual elections as and when they are held.
22. Provision is made in the Council's budget for the running costs associated with local government elections. Central government pays for UK Parliamentary and European Parliamentary elections (including national referendums).

### **Actions to be taken to implement the decision(s)**

23. Not applicable.

### **Appendices**

None.

### **Background papers**

Body	Report title	Date
NONE	N/A	N/A

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