

Audit Committee

Agenda

Tuesday 22 June 2021 at 6.30 pm

This meeting is being held as an informal remote meeting

You can watch live on YouTube: <https://youtu.be/p5GcGd3hEb8>

MEMBERSHIP

Administration	Opposition
Councillor Iain Cassidy (Chair) Councillor Jonathan Caleb-Landy Councillor Rowan Ree Councillor Alexandra Sanderson	Councillor Alex Karmel Councillor Matt Thorley

CONTACT OFFICER: David Abbott
Governance and Scrutiny
E-mail: david.abbott@lbhf.gov.uk

www.lbhf.gov.uk/committees

Date Issued: 14 June 2021

Audit Committee Agenda

<u>Item</u>	<u>Pages</u>
1. APOLOGIES FOR ABSENCE	
2. DECLARATIONS OF INTEREST <p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
3. MINUTES <p>To note the minutes of the previous meeting and any outstanding actions.</p>	5 - 9
4. ANNUAL HEALTH AND SAFETY AT WORK REPORT 2020/21 <p>This report highlights the Council's activities and performance in health and safety at work for the financial year 2020/21 and recommends priorities for the forthcoming financial year.</p>	10 - 21
5. RISK MANAGEMENT HIGHLIGHT REPORT <p>This report provides an update on risk management across the Council.</p>	22 - 57

- 6. ANNUAL FRAUD REPORT 2020/21** 58 - 79
- This report provides an account of fraud-related activity carried out during the past year to minimise the risk of fraud, bribery and corruption occurring within and against the Council.
- 7. ANTI-FRAUD POLICY REVIEW 2021** 80 - 97
- This paper presents the following three revised anti-fraud policies for review.
- Anti-Bribery Policy
 - Anti-Money Laundering Policy
 - Fraud Response Plan
- 8. ANNUAL AUDIT REPORT 2020/21** 98 - 127
- This report summarises the work of Internal Audit in 2020/21.
- This item includes the Final Internal Audit Report for Cambridge Special School (Appendix 5).
- 9. CYBER SECURITY – SIX MONTHLY UPDATE** 128 - 129
- This report provides an update on Hammersmith & Fulham's cyber-security readiness.
- 10. DATES OF NEXT MEETING**
- The next meeting is scheduled for 14 September 2021.
- 11. EXEMPT DISCUSSION (IF REQUIRED)**
- LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION**
- Proposed resolution:**
- Under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

Agenda Item 3

London Borough of Hammersmith & Fulham

Audit and Pensions Committee Minutes



Monday 15 March 2021

PRESENT

Committee members: Councillors Iain Cassidy (Chair), Jonathan Caleb-Landy, Alex Karmel, Matt Thorley and Rowan Ree

Officers:

David Hughes, Director of Audit, Fraud, Risk and Insurance
Mike Sloniowski, Risk Manager
Emily Hill, Director of Finance
Rhian Davies, Director of Resources
Lisa Redfern, Strategic Director of Social Care
Jacqui McShannon, Director of Children's Services
Moir Mackie, Head of Internal Audit
Phil Triggs, Director of Treasury and Pensions
David Abbott, Head of Governance

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Alexandra Sanderson.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

Councillor Rowan Ree noted that he had not received a copy of the Council's current whistleblowing policy or information requested about violence incidents. He also asked to be resent a document on early repayment charges.

ACTIONS: David Hughes, Paul Barton, and Phil Triggs

RESOLVED

The minutes of the meetings held on 24 November 2020 and 1 December 2020 were approved as an accurate record.

4. RISK MANAGEMENT HIGHLIGHT REPORT

Mike Sloniowski, Risk Manager, presented the report which gave an update on risk management across the Council. He gave an overview of some key events that had taken place since the previous meeting – including a resurgence of Covid-19 infections across the country, another national lockdown, the conclusion of an EU trade deal, and the opening of a vaccination centre in Hammersmith – highlighting the pace of change and the shifting risk environment.

Mike Sloniowski then discussed some of the additions to the risk register – highlighting the risks of a widening of digital divide, the rise of cyber-crime, and the challenges for the visitor economy (those employed in music, the arts, and hospitality).

Councillor Matt Thorley asked how the Council planned to balance the requirements and resource implications of transitioning out of lockdown while retaining core services. He gave the example of environmental health officers who had been redeployed to support the Council's track and trace efforts but who would also be a key part of getting the hospitality sector up and running again as restrictions were lifted.

Mike Sloniowski said these considerations were part of the recovery strategy being led by the Strategic Director for Economy. He was of the view that there would continue to be a requirement for some Covid support services for some time. The workforce strategy was starting to look at some of these issues. He said the Council's pandemic response had been very dynamic and it would need to continue to be agile going forward.

Councillor Alex Karmel raised the issue of IT security in light of increased home working and a high-profile attack on Hackney Council. He asked if officers were confident that the Council's systems were secure. Emily Hill, Director of Finance, said cyber-security was a high priority and was closely monitored. The Council's systems had been reviewed after the Hackney Council incident, but officers hadn't identified any vulnerabilities. David Hughes, Director of Audit, Fraud, Risk and Insurance, noted that the Chief Executive had also ensured that SLT received regular briefings on cyber security. He said officers would also share 6-monthly updates with the committee.

ACTION: Veronica Barella

Councillor Alex Karmel noted that the South African variant of Covid-19 was becoming worryingly common in Wandsworth and asked for reassurance of what contingency plans were in place if it spread to the borough. David Hughes said the Council was reviewing its outbreak management plans and was carrying out surge testing where there were variants of concern. The situation was being actively reviewed. Mike Sloniowski said Linda Jackson, Director of Covid, could provide a more detailed written response.

ACTION: Linda Jackson

Councillor Alex Karmel noted there were concerns about Covid hotspots in South Fulham – particularly related to schools. He asked if resilience teams were informed

of outbreaks in schools and other areas and if sufficient measures were in place to deal with them. Lisa Redfern, Strategic Director of Social Care, said Linda Jackson could provide a detailed response but she assured members that there were daily (hourly in some cases) updates. Linda Jackson worked closely with all directors including the Director of Children's Services on the education sector's response. Members requested information on how outbreaks were tracked and managed.

ACTION: Linda Jackson

Councillor Jonathan Caleb-Landy raised the issue of women's safety in the borough in light of Sarah Everard's murder, and asked what action was being taken to protect residents and council staff. Councillor Alex Karmel felt the focus should be on addressing the fear of crime. The Council should take steps to ensure that women felt safe in the borough and be reassured that their actual risks of being a victim of crime were low. David Hughes suggested the community safety team provide a written update on the work they were doing to improve women's safety, combating the fear of crime, and improving staff safety.

ACTION: Matt Hooper / Community Safety

Councillor Jonathan Caleb-Landy noted the pandemic had forced a huge shift in working patterns and asked what consideration had been given to continuing these practices to remain attractive as an employer. Mike Sloniowski said the Council was putting a lot of work into a new workforce strategy and considering what work would look like in the future.

Councillor Rowan Ree asked why the Brexit risk score had dropped from 16 to 12. Mike Sloniowski said the change was because a trade deal had been agreed. Officers would continue to monitor longer term indicators.

Councillor Rowan Ree asked if officers had reached out to businesses based in the borough for their views on the impacts. Mike Sloniowski said he would follow up with Karen Galey.

ACTION: Mike Sloniowski / Karen Galey

Councillor Alex Karmel asked for further reassurance around the risks of staff burnout through the pandemic period. He asked what the Council was doing to safeguard people's physical and mental health. Mike Sloniowski said the organisation had put a lot of work and effort into this area. The workforce had been well supported throughout the pandemic period with a number of initiatives. Contact was stepped up, specialist support was made available to staff, weekly wellbeing sessions were available to all staff, and staff were encouraged to take leave. Workforce statistics showed staff had been remarkably resilient with very low sickness and absence rates.

RESOLVED

That the Committee noted and commented on the report.

5. INTERNAL AUDIT PROGRESS REPORT

David Hughes, Director of Audit, Fraud, Risk and Insurance, presented the report which provided an update on internal audit work carried out between November 2020 and February 2021. He noted that since the last report, two school audits had been completed, both of which received a Substantial Assurance opinion. A further 35 audits were now in progress and no significant concerns had been found so far.

Councillor Rowan Ree asked what 'journals' meant in the context of Key Control Objective 5. David Hughes said it related to coding – when amounts of money were moved from one cost code to another.

Councillor Rowan Ree, with reference to Key Control Objective 2, asked how often acting-up and other additional allowances were paid to staff. David Hughes said acting-up was only supposed to be for short-periods. Honoraria were one-off payments to staff that had gone above and beyond their normal job.

Councillor Alex Karmel asked if the concern around overtime was due to Covid or a systemic issue. David Hughes said they had tested 10 cases and found 1 with no appropriate approval so the service had been informed. Officers weren't seeing a significant upward trend.

RESOLVED

That the Committee noted and commented on the report.

6. INTERNAL AUDIT PLAN 2021/22

David Hughes, Director of Audit, Fraud, Risk and Assurance, presented the Council's Internal Audit Plan for 2021/22. He noted that the plan would be moving to a '3 plus 9-month' plan to be more flexible and responsive. The revised plan would be reported to the Committee on a quarterly basis. It would also become more targeted – looking at elements of a system rather than whole system reviews every time. This would create a tighter feedback loop to enable improvements to be implemented more quickly. The new plan would also bring in reviews by other bodies and authorities e.g. Ofsted inspections of Children's Services and Social Care.

Councillor Rowan Ree asked if other councils were using the '3 plus 9-month' approach. David Hughes said many councils were moving towards this type of model. A fixed plan that doesn't change throughout the year meant it wasn't possible to give a robust opinion at the end of the year. Councillor Ree said it seemed like a positive change.

RESOLVED

1. That the Committee reviewed and commented on the draft Strategic Audit Plan, as set out in Appendix 1 of the report.
2. That the Committee reviewed and commented on the draft of the Annual Audit Plan, as set out in Appendix 2 of the report.

7. DATE OF NEXT MEETING

The date of the next meeting was noted as 22 June 2021.

Meeting started: 6.30 pm

Meeting ended: 7.33 pm

Chair

Contact officer David Abbott
Head of Governance
Governance and Scrutiny
☎: 07776 672877
E-mail: david.abbott@lbhf.gov.uk

Report to: Audit Committee

Date: 22/06/2021

Subject: Annual health and safety at work report 2020/21

Report of: The Health and Safety Board

Report author: Paul Barton, Head of Corporate Safety

Responsible Director: Strategic Director for Economy

SUMMARY

This report highlights the Council's activities and performance in health and safety at work for the financial year 2020/2021. It also recommends priorities for the forthcoming financial year.

RECOMMENDATIONS

1. That the committee note the health and safety at work performance of the council during the financial year 2020 / 2021 (*pages 3 to 9*).
 2. That the committee note the recommended priorities for the forthcoming financial year 2021 / 2022. (*page 10*)
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Wards Affected: All wards

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Good health and safety performance has the goal of eliminating and reducing workplace accidents. Accidents come at a cost (human and financial) both to the council and to the injured person. A shared prosperity between the organisation, the employee and the residents is achieved by the elimination and reduction of accidents in the borough.
Creating a compassionate council	Good health and safety management has a moral objective. To learn of

	family, friends, colleagues or residents killed, or seriously injured, in a workplace accident is profoundly distressing. Therefore, a compassionate council must embrace the moral aspect of health and safety at work, not merely the economic and legal aspects of it.
Doing things with local residents, not to them	Good health and safety at work performance includes the safety of the residents with whom we interact in the everyday aspects of our core business activities.
Being ruthlessly financially efficient	Good health and safety management is financially efficient because it prevents fines for breach of statutory duty or settlement of civil claims brought against the council.
Taking pride in H&F	We take pride in a good health and safety at work performance because it reflects the image of the borough as portrayed to our residents and to others.
Rising to the challenge of the climate and ecological emergency	Good health and safety management plays a part in tackling the climate emergency in many ways. For instance, the requirement to seek less hazardous workplace substances for employee health also has ecological benefits when, for example, replacing solvents with water-based products during COSHH assessment review.

Financial Impact

No change. A budget is allocated for training of safety responders (Nominated First Aiders, Fire Evacuation Officers, Evacuation Chair Operators) as identified in policy, which is coordinated by corporate health and safety. Health and safety induction training is funded for all employees and coordinated through the 'Be-online Awaken' software program. Specific health and safety training is identified through risk assessment, verified through audit and funded by the respective department.

In Hammersmith and Fulham Council health and safety at work is equal to all other business. Tier 2 and tier 3 officers are required under policy to budget for health and safety at work accordingly. Similarly, under policy the council must ensure that the decisions they make take account of health and safety and that resources are allocated for this purpose.

Legal Implications

‘Except in such cases as may be prescribed, it shall be the duty of every employer to prepare and as often as may be appropriate revise a written statement of [the] general policy with respect to the health and safety at work of [the] employees and the organisation and arrangements for the time being in force for carrying out that policy and to bring the statement and any revision of it to the notice of all of [the] employees’. (*Health and Safety at Work etc. Act 1974. section 2(3)*).

The policy statement, signed by the leader and the head of paid service, is displayed in all LBHF workplaces. The statement is valid until 2023, unless a change in head of paid service / leadership occurs first, in which case the statement must be renewed sooner. The organisation and arrangements for health and safety at work in LBHF are found on the intranet.

Contact Officers

Name: Paul Barton
Position: Head of Corporate Safety, adviser to Health and Safety Board.
Telephone: 07917 553589
Email: corporatehealthandsafety@lbhf.gov.uk

Name: Andrew Lord
Position: Health and Safety Board. Member representing Finance
Telephone:
Email: Andrew.lord@lbhf.gov.uk
Must be verified by Chris Harris, Andy Lord or Emily Hill

Key points of note.

The corporate health and safety team, like many services in Hammersmith and Fulham Council, has mostly been working in a reactive mode during the pandemic.

There was no enforcement action taken against the Council by the Health and Safety Executive (HSE) in this period. Five injuries have been reportable to HSE during this year. These are detailed below. No dangerous occurrences, occupational disease cases or gas safety incidents were reportable to HSE during this year.

Ongoing operational support is given to the pandemic by the corporate health and safety team. Advice is provided on personal protective equipment for frontline services and for display screen equipment safety when working at home.

Changes to the provision and duties of safety responders was necessitated by the pandemic, with additional management roles identified in policy. These were for appointed first aid duties and duties for fire evacuation coordination. This was done to support existing nominated first aiders and fire evacuation officers

1. Coronavirus response from the corporate health and safety team

This financial year's health and safety report details the work and achievement across the council in personal protective equipment (PPE) fast-track response to essential service employees and other local needs early into the pandemic, with key safety aspects of a policy to back it up.

A risk assessment process for individual employees was formulated through partnership working with the NHS and our Wellness Centre. Risk management modifications were made to nearly every employment group within the council. The largest of these by far was the relocation of office duties to the home environment, which involved circa 1,700 workers. This was made possible through the council's foresight of agile working, manifest in the provision of laptops to the majority of staff during 2019. In early summer corporate health and safety then commenced verification of all display screen equipment risk assessment reviews, ensuring equipment provided to home workers during the pandemic was reasonably practicable while the national situation continued.

From the end of the first lockdown through the subsequent stages of recovery and revision into further national lockdowns, corporate health and safety provided advice and recommendations for the safety of frontline work tasks and essential services workplaces in reduced numbers. Scrutiny of safety management within those services working in the borough remains a function of both the technical assurance group (TAG) and the Covid-19 board. TAG verifies risk assessments and confirms workplace Covid-19 safety arrangements as part of its urgent work programme during the pandemic.

Coupled with planned new ways of working post-pandemic during the forthcoming financial year and subject to the national situation, a fundamental policy change during the year was made to our safety responders: first aiders and fire evacuation officers. Policy now requires all management grade officers to undertake basic response duties for both first aid and fire evacuation, to supplement our fully trained complement. To this end, basic training is provided to management grade officers through the IBC Learning Zone.

2 Staff wellbeing during the pandemic

Wellbeing is spearheaded by the talent, transformation and inclusion department and supported by the corporate health and safety team. Diverse and wide-ranging wellbeing initiatives have been developed to support the personal resilience of our workforce during the pandemic and recovery.

The success of these initiatives is demonstrated through extremely positive outcomes evidenced from the 'outstanding' employee attendance statistics and survey results, which have been gathered during the pandemic. The datasets demonstrate significant employee engagement which has had a direct positive impact on the resilience of H&F to support the delivery of critical key services throughout an extremely challenging and difficult period.

Of particular note is the success of the Wellbeing Wednesday sessions, the launch of the 'supporting your personal resilience' intranet pages and the regularity and tone of the communications which have been published throughout the lockdown period.

In the last few months the introduction and training of mental health first aid representatives across all directorates has likewise boosted resource availability for the support of staff wellbeing.

A detailed report was presented at political cabinet by the talent, transformation and inclusion department on 6th July 2020.

3 Accidents, injuries and near-miss incidents

Appendix A details accidents, injuries and near-miss incidents at the end of year 2020/2021. Five injuries have been reportable to the health and safety executive (HSE), all being injuries to employees.

Table 1 provides an overview of incidents reported to HSE.

Date	Category	Type	Department
4 th May	Over 7-day injury	Slip, trip or fall	Corp. property & FM
8 th June	Over 7-day injury	Another type of accident (road traffic collision. Employee 1)	Environmental enforcement team
8 th June	Over 7-day injury	Another type of accident (road traffic collision. Employee 2)	Environmental enforcement team
2 nd July	Fracture / Over 7-day injury	Physical assault	Civil enforcement team
31 st March	Fracture / Over 7-day injury	Fall from height	Libraries and archives

Table 1. Incidents reported to HSE in financial year 2020 / 2021

All incidents that are reportable to HSE are investigated by the corporate health and safety team, seeking to make recommendations to prevent recurrence and requiring services to review risk assessments.

Additional control measures implemented directly from recommendations arising from such investigations during the year include:

- Review of driving at work policy, associated training, 'driver checks' and vehicle checks was completed in the early part of 2021, with a further recommendation to explore digital solutions to aid driver safety management across the authority. This is to be discussed at the health and safety board into next year;
- Review of policy on violence against staff: work in progress, with the outstanding recommendation for a 'respect your local service providers' campaign under discussion during the forthcoming financial year at the health and safety board. The assailant from the RIDDOR reported physical assault was identified and prosecution is in progress at the time of writing, with the court date recently postponed. CEOs are now equipped with body-cameras.
- Review of the libraries and archives risk assessment, with inclusion and training in safe working at height delivered to all staff.

Overall, 136 incidents were reported during this year. 53 of these were accident injuries, 41 were violence and intimidation incidents, 13 were near miss incidents, 3 were dangerous occurrences (non-HSE reportable) and 26 were 'other' types of incident.

There is a significant reduction in all incidents from last year's figures.

The Council's overall incidence rate this year is 4.7¹, calculated on a full-time equivalent (FTE) establishment of 2,016 employees at 31st March 2021 for the year 2020 / 2021. This is a 55% decrease in accident rates from the previous year in overall incidents.

The HSE reportable incidence rate is 2.5² calculated on the same FTE establishment. This shows a decrease of 34% in rate from the previous year in HSE reportable incidents.

Violence and intimidation incidents are reduced by more than half of the previous year's incidents, which reflects there being less front facing customer services in operation during lockdown and post-lockdown. However, of those staff remaining in front facing customer roles, violence and intimidation incidents have actually increased in number. This mirrors a national trend in the service and retail sectors.

At Hammersmith and Fulham Council incidents of violence against staff are reported to the police. Crime numbers are recorded in the incident reports. Service managers are required to follow-up with the police and to progress prosecutions against perpetrators where evidence can be substantiated. The addition of body cameras to our higher risk employment groups during this year has assisted in the evidence gathering process, as well as acting as a deterrent and will continue to do so to protect staff.

Incidents of dysregulated behaviour within care settings (Children's Services and Social Care) that led to staff or care resident injuries, or care resident injuries that are spotted by staff, this year total 37. In such incidents care plans are reviewed and amended to reflect the investigation's findings. By way of example, one particular setting's progress is provided in appendix B.

In addition to the further risk control measures in progress to protect staff mentioned above, corporate health and safety has joined a working party coordinated by HSE and Manchester University in researching key deliverables to the service and retail sectors, to eliminate or reduce to the lowest level reasonably practicable third party violence and aggression against employees.

Last year's promulgation of correctly coding safety incidents appears to have the positive result of less being entered in the category of 'other', a reduction to 26 from last year's 67.

¹ Calculated on all injury and violence or intimidating behaviour incidents (94No.)

² Calculated on HSE reportable incidents (5No.).

Table 2 shows comparison between the safety incident reporting figures for this financial year and for the previous year.

2020 / 2021		2019 / 2020	
Accidents resulting in injury	53	Accidents resulting in injury	88
Violence and intimidation	41	Violence and intimidation	105
Other	26	Other	67
Near miss	13	Near miss	16
Dangerous occurrence	3	Dangerous occurrence	7
TOTAL	136	TOTAL	201

Table 2. Safety incident reporting. Comparison 2020/2021 with 2019/2020

4 Health and safety board. Summary of this financial year 2020 / 2021

The function of the health and safety board is twofold. Firstly, the board promulgates the recommendations from the previous year's annual report, driving consultation on policy review and change at strategic level through directorate senior management teams (SMTs) and trades unions (TU Forum). These can be interpreted as our leading indicators in safety performance. Secondly, the board examines and advises on matters reactive in nature that arise during the year, either through internal sources or external sources. For example, scrutiny of emerging trends in incidents (internal sources) to identify process or procedural changes via risk assessment review. This is done with a view to preventing recurrence, eliminating future risk or reducing risk to the lowest level so far as is reasonably practicable. These can be interpreted as our lagging indicators in safety performance.

This year the board has advised on and moved forward the following items in relation to the pandemic:

- ❖ **Personal protective equipment policy.** A revised policy for the pandemic to cover the new demands from commissioned services, partner agencies and charities in time of local and national urgency;
- ❖ **Risk assessments during COVID-19.** Agreement on processes for corporate approach in the risk management of essential services remaining in the borough during lockdown and, later on, a corporate approach to post-lockdown risk assessment and safe return to work approaches, including safe return to council buildings that are places of work;
- ❖ **Display screen equipment (DSE) at home.** Advice on a holding position during lockdown and further advice and procedure for provision of DSE during ongoing working from home during post-lockdown, inputting into guidance on new ways of working agenda. Many of those assigned to complete e-learning and self-assessment have yet to complete this. Therefore, e-learning and self-assessment will be a priority in the coming year;
- ❖ **Case monitoring.** Monitoring of confirmed cases and outbreaks in LBHF workplaces, with risk assessment and outbreak plan reviews in each case took place. Overall the total number cases in the non-school LBHF workplace since September 2020, of which seven became workplace outbreaks (i.e. more than one case in the same workplace at the same time) was thirty-nine. If the total number of employees in each case and outbreak as confirmed coronavirus positive is counted together, the total number of employees working in the borough during the pandemic that became symptomatic in the workplace, or had inadvertently been present in the workplace when they were infected with coronavirus during the previous 48 hours to becoming

symptomatic (then subsequently testing positive) is fifty-six. The figure reduced through early March and was tailing off towards the end of March, broadly following the national picture. LBHF school staff are not included in this figure.

This year the board has advised on and moved forward the following other items:

- ❖ **Personal safety policy, including lone working.** A revision of the policy to streamline corporate approaches to risk management in terms of personal protection GPS devices, a consolidated employee protection register controlled centrally through the corporate health and safety service, improved oversight and governance of the employee protection register through policy revision
- ❖ **Driving at work policy review.** Introducing further safety checks of our drivers and further work into next financial year towards an automated electronic solution for the monitoring of driver health and safety at work.
- ❖ **Operational risk register.** Amendment to the operational risk register to identify the assistant director or chief officer for each entry;
- ❖ **Safety responders.** Changes to policy regarding appointed first aid duties and fire evacuation coordination duties for managers to reflect forthcoming proposed new ways of working, as previously noted;
- ❖ **Ensuring we have the right policies and procedures in place.** In examining health and safety prosecutions of other local authorities during the year, we review our own relevant policies and procedures to ensure all is being done, so far as is reasonably practicable, to prevent employees, contractors and residents from harm. This year prosecutions led to examination and reviews of staff safety from violence in schools, inspection of trees, inspection of playground equipment and inspection of street furniture assets.

5 Health and Safety Audit Programme

Audits across all main areas of the Council that were carried over from the previous financial year were completed by lockdown in March 2020.

The audit work programme during this year was delayed through reactive response to the pandemic, although the programme 'made ground' as the year progressed through virtual auditing. For schools this has been achieved by self-assessment questionnaires backed-up by returned photographic evidence. For all other council services that have operated in the borough during this year, risk profiling questionnaires were distributed, or in the case of higher hazard services contact visits were made by corporate health and safety under controlled conditions.

6 Operational performance overview

The operational risk register (the register) covers both reactive and proactive monitoring. The register is distributed to the health and safety board every eight weeks through Microsoft Teams, from where it is taken by representatives to directorate management teams (DMTs) for updating.

7 Performance on priorities for 2020 / 2021

Health and safety at work priorities for the council were determined and dictated by the coronavirus pandemic. Health and safety is a key component in all levels of the response.

COVID-19 risk assessments are regularly under review, with the corporate health and safety service reporting into the technical assurance group on review compliance.

Completion or progress in other priorities for this year, established through active and reactive monitoring during the previous year and given in the annual report for that year (2019/2020), are reported as follows:

- ❖ **Improve transport safety management at Bagley's Lane depot.** New main gates were fitted, security was enhanced, vehicle segregation markings were improved, private cars removed from the site, use of the workshops has been given more clarity and direction to avoid ad-hoc uncontrolled usage.
- ❖ **Review of the driving at work policy.** Following a road traffic accident in June 2020, this review was completed in March 2021 after input from a services wide policy working group led by Public Realm. A remaining recommendation to the council is for the implementation of an electronic app (driver safety monitoring system) to consolidate a central approach to driver risk management in the council.
- ❖ **Asbestos management in schools.** Many school premises managers and business managers were trained in asbestos awareness to inform their inspection plans. The inception of a new service for education assets and operations has spearheaded the completion of this performance indicator and ensured the ongoing strategic monitoring. This asbestos management compliance criterion is audited by the corporate health and safety team.
- ❖ **Civic campus.** Continued ongoing client-side health and safety scrutiny overview of the West King Street Renewal (WКСR) project, particularly the refurbishment of Hammersmith Town Hall to help the project achieve the target completion date. Corporate health and safety continue to attend meetings, giving client-side input and advice.
- ❖ **Employee personal safety.** The employee personal safety policy, including lone working, has been completed. The employee protection register has been consolidated into a corporate register controlled centrally and governance has been improved through policy change.
- ❖ **Management system software.** An improved health and safety management system software program was introduced to replace the outmoded tri-borough system. At present the safety incident reporting module has been activated and it is anticipated other modules will be added in time.

8. Priorities for the coming year 2021/2022

8.1 **Fire safety management.** A review of the corporate fire safety management policy, with Housing Services, in respect of forthcoming significant amendment to the Regulatory Reform (Fire Safety) Order 2005.

8.2 **Coronavirus.** Ongoing monitoring of the situation locally, nationally and internationally to ensure health and safety at work aspects of preparedness are included in strategic business continuity.

8.3 **Training.** Review and substantial revision of the health and safety training policy, including revision of the health and safety training matrix. The aim is to achieve a consolidated corporate policy with clear guidelines on levels of training required across all employment groups in the council.

8.4 **Driver safety management.** Further consideration of software management systems available and modest administration resources to oversee the introduction and ongoing usage of such a system.

8.5 **Risk profiling.** The 2020 business continuity institute's horizon scanning report notes that benchmarking via longer term trend analysis ('internal risk assessment benchmarking') is a recommendation to assess risks regarding health and safety in an organisation. Realignment of health and safety risk profiling should be seen as part of our road to recovery. It informs our strategic key performance indicators in health and safety performance for the challenging future ahead. A risk profile of the organisation will be undertaken to inform improvement to the internal health and safety audit structure.

8.6 **Work-related stress.** Introduction of a work-related stress indicator tool module, for the improved monitoring and support of staff wellbeing and to inform policy in the ongoing management of work-related stress risk.

8.7 **Training and assessment for working in the home environment.** With up to 1,700 employees working at home, whether in small part, large part or fulltime, the target is to ensure all those assigned DSE training and assessment that work from home have completed it by end of the forthcoming financial year.

9. Equality, diversity and inclusivity implications

There are no equality, diversity and inclusivity implications in this report.

LIST OF APPENDICES

- ❖ Appendix A. Safety incident reporting 2020 / 2021 by incident type and service location. Page 11
- ❖ Appendix B. An example of continued risk management in SEND and social care settings. Page 12

Appendix A

Safety incident reporting: 2020 / 2021 (shown by incident type and by service location)

What has happened?	Number
Dangerous Occurrence	3
Injury Accident	53
Near Miss	13
Other Incident	26
Violence and Intimidation Incident	41
	136
What team are you part of?	Number
Administration and Premises Salaries	1
Assessment Teams	1
Building and Property Management	1
Careline Services	1
<i>Chelsea Library (+4) has been removed</i>	nil
Community Safety	2
Community Support Service	1
Contact and Assessment Team 3	2
Contact Service	5
Economy and Infrastructure	2
Estate Support and Security	8
Fulham Library	6
Governance and Scrutiny	1
Hammersmith Library	1
Head of Compliance and Health and Safety	8
Housing Advice	5
Housing Services North	1
LBHF Contracts and Enforcement	5
Leaseholder Services	1
Mental Health Team Ellerslie Road	1
Middle Base	1
Neighbourhood Wardens - HRA	4
North Base	3
Parking Enforcement	7
Parks and Open Spaces	1
Parks Police 3	1
Property Services Head of Operations	3
Rivercourt Respite Service	1
Sheltered Housing North	3
Shepherds Bush Library	2
South Base	14

Appendix B

An example of continued risk management in SEND and social care settings

The Haven now has access to a specialist behaviour support service, which is delivered by H&F CAMHS (joint funded LA and CCG). We have delivered extensive workforce development to improve quality of recording and learning from incidents. The implementation of new whole team behaviour and physical intervention training supports improved skills and development of a culture of prevention of escalation. This new approach includes a train the trainer model which supports ongoing development within the service.

The Haven continues to work closely with special schools to share behaviour support and communication training and support plans. We have trained two in-house 'Team Teach' trainers who delivery courses, advise and support staff around positive behaviour management. The number of incidents and physical interventions have reduced in the last 2 6-month periods (numbers below)

Incidents in total

Month	Total per Month (with and without physical intervention)	Number with physical intervention
<i>May 2020</i>	3	0
<i>June 2020</i>	4	0
<i>July 2020</i>	2	1
<i>August 2020</i>	5	2
<i>September 2020</i>	4	2
<i>October 2020</i>	0	0
Total	18	5

Month	Total per Month (with and without physical intervention)	Number with physical intervention
<i>November 2020</i>	3	1
<i>December 2020</i>	1	0
<i>January 2021</i>	1	0
<i>February 2021</i>	1	0
<i>March 2021</i>	3	1
<i>April 2021</i>	2	0
Total	11	2

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 22/06/2021

Subject: Risk Management

Report of: Director of Audit, Risk, Fraud and Insurance

Summary

The purpose of this report is to provide members of the Audit Committee with an update on risk management across the Council.

Recommendation

For the Committee to note and comment on the report.

Wards Affected: None

H&F Values	Summary of how this report aligns to the H&F Values
<ul style="list-style-type: none">• Building shared prosperity• Creating a compassionate council• Doing things with local residents, not to them• Being ruthlessly financially efficient• Taking pride in H&F• Rising to the challenge of the climate and ecological emergency	<p><i>Good risk management helps to: maintain and promote the Council's reputation;</i></p> <p><i>Is an enabling tool to help protect residents and staff including some of the most vulnerable in society;</i></p> <p><i>Place people, businesses and the wider community at the heart of everything we do;</i></p> <p><i>Ensure robust financial and information management and supports internal control, opportunity and innovation;</i></p> <p><i>Protect valuable assets and the built and natural environment.</i></p> <p><i>Enabling an approach to climate-sensitive decision making</i></p>

Financial challenge

The current and future climate for local government represents a significant risk to the council with the ongoing challenge of delivering services with significantly reduced funding levels further impacted by the coronavirus pandemic. This has seen the council incur additional expenditure whilst at the same time seeing reductions in the level of resources

available through a combination of lower income levels and inherent pressures that existed prior to Covid-19 which must also be managed.

Financial implications

There are no specific financial implications arising from this report. Services are expected to manage their risks within current budgets. Where additional funds are required to mitigate or manage risks, separate decisions reports will be required for the approval of unbudgeted expenditure.

A standing Corporate risk, Financial Management of in year budget and Medium-Term Planning, identifies the risks to balancing the budget in response to continued government funding and demand pressures faced by the Council and the sector more generally and is assessed as high risk. The in-year position is reported monthly in the Corporate Revenue Monitor to Cabinet. Other corporate risks also identify financial pressures arising from demand and complexity of service provision which need to be managed.

Comments verified by Emily Hill, Director of Finance

Legal implications

There are no particular legal implications arising from this report.

Comments verified by Rhian Davies, Director of Resources

Contact Officer:

Name: Michael Sloniowski
Position: Risk Manager
Telephone: 020 8753 2587
Email: Michael.sloniowski@lbhf.gov.uk

Background Papers Used in Preparing This Report

Risk Registers, reports to Children and Education Policy and Accountability Committee; Health Inclusion and Social Care Policy and Accountability Committee; Finance, Commercial Revenue and Contracts Policy and Accountability Committee. HMG National Risk Register, London Resilience Partnership London Risk Register, World Economic Forum Global Risk Report 2021, GOV.UK Coronavirus.

Background

1. To achieve the ambitions, outcomes and priorities set out in our Business Plan, it is essential that we continue to understand, manage and communicate the diverse range of risks and challenges that could threaten the organisation and vital services. Risks

originate from a variety of sources, many of which are out of our direct control for example global events such as the coronavirus pandemic, Brexit, economic or market shocks, austerity or from climate change. More localised incidents can impact on residents, individuals, services and infrastructure.

2. It is paramount that all risks are clearly identified, managed and reported through the relevant channel. Risks can never be eliminated entirely but proportionate and targeted action can be taken to reduce risks to an acceptable level. Furthermore, the work of the Council's Policy and Accountability Committees is acknowledged as a source of robust and additional assurance for the management of risk across its services.
3. Effective governance and management of risks are particularly significant as funding for Local Government has diminished authorities' objectives and are becoming increasingly fundamental and relate, for instance, to continuing to meet statutory service obligations. Arrangements must therefore be effective in a riskier, more time-pressured and less well-resourced context.
4. Local authorities are required to maintain a sound system of internal control, including risk management, internal audit, and whistleblowing arrangements. Risk management is the application of Council strategies, governance, policies and processes to identify and manage risks that are unacceptable to the Council. Managing risk processes effectively enables the Council to safeguard against potential threats and take advantage of potential opportunities to improve services whilst continuing to provide better value for money for residents, visitors, local businesses and service users.
5. As part of its Governance the Council's approach to risk management requires Directors, managers and staff, through their departmental Senior Management Teams, to:
 - identify risks;
 - assess the risk;
 - agree and take action to manage the risk; and,
 - monitor, review and escalate risks.
6. The Council have risk management arrangements in place which feed into the risk register accompany the report, Appendix 1. This register houses the most significant cross-cutting risks that could impact on the outcomes that are set out in the Council's Priorities. These risks can be internal or external facing. Internal risks relate to the organisation itself and cover areas such as programmes, workforce, business continuity, safety or technology. External risks are those that can affect the local area, its people, communities, businesses and infrastructure where the Council often has a role, in partnership, to mitigate them. The corporate risk register has been kept under review during the Covid pandemic and will be reported to the Committee at its next meet.
7. This report therefore provides the Committee with an updated post Covid-19 outbreak risk register presenting a suite of risks as reviewed by the Council's Strategic

Leadership Team. A number of these have recently risen as a direct result of Covid-19, including the impact on the council's budget and economic outlook for the area. Many of the risks shown in Appendix 1 will come and go as the environment changes. However there remain a set of 'standing' corporate risks that are always likely to face the Council:

8. **Key controls** in place to assure the Committee on the management of standing corporate risks are as follows:

Safeguarding children, protecting people and young children

9. Policies and procedures, Initial Consultation and Advice Team (ICAT), Contact and Assessment Service. Quality assurance and Performance Management processes, London Child Protection procedures, Local Child Safeguarding Practice reviews, recruitment and resources, training, independent inspections (Ofsted and the Care Quality Commission) and internal assurances including the new sovereign Local Safeguarding Children Partnership introduced on 1 April 2021 in order to ensure the safety and wellbeing of children and young people in the borough.

Safeguarding adults

Policies and Procedures including referrals and reporting, H&F Living Independently contact and referral process, Adult Safeguarding Strategy, Safeguarding Adults reviews; Quality, Safety and Performance Management processes, recruitment and resources, training, independent inspections (Care Quality Commission) and internal assurances, Safeguarding Adults Board, Annual Safeguarding report. The latest Safeguarding Annual Report is published here: <https://www.lbhf.gov.uk/health-and-care/safeguarding-adults-board-annual-report-2019-20>

Community Resilience

10. Promoting community resilience by effective communications with the public, working together with partners on the Safety Advisory Group to ensure events in the local area are delivered safely, local flood risk management strategy and the development of local initiatives to reduce the risk of flooding, working with multi-agency partners on the Borough's Resilience Forum, working with partners to respond to emerging areas of risk on the London risk register, Environmental Health, Regulation, Law Enforcement, Food Safety Team and Public Health Services.

Council Resilience

11. A dedicated Emergency Planning and Resilience Team to co-ordinate the council's response to a major incident and an approach which considers the National Risk Assessment and London Risk Register (Appendices 3 and 4). A wide range of emergency, business continuity and coronavirus outbreak plans which are regularly tested and exercised. Workforce monitoring and resource management, training, personal development and appraisals, the Wellness Centre and Online personal resilience guidance and support.

Health and Safety

12. Policy and Strategy setting out the Council's commitment to Health and Safety including defined roles and responsibilities, Health and Safety Advisers, Mental Health Advisers and First Aiders, subject specific learning, processes and reporting, risk assessments, Health and Safety Board, six month reporting to the Strategic

Leadership Team and Audit Committee, co-operation and consultation with Trade Unions, subject specific working groups, fire and safety compliance and capital programmes, independent inspection regulatory and enforcement services from the Health and Safety Executive and London Fire Brigade.

Financial Management (in-year and the medium term)

13. Defined roles and responsibilities as demonstrated in the Financial Regulations and Constitution of the Council. Where financial management services are delivered, they are accountable to the Director of Finance (the Section 151 Officer). Medium Term Financial Strategy, Budget Planning and Process, In-year budget monitoring of revenue and capital expenditure, Corporate and Capital Monitor reports to Cabinet, Technical Controls, Accounts closing procedure, Internal Audit and External inspections.

Information Management and Cyber Security

14. Roles and responsibilities are clearly set out including a Senior Information Risk Owner, Information Asset Owners, Head of Information and Data Protection Officer and Caldicott Guardians. Policies and processes are in place that reflect legislative requirements in particular the General Data Protection Regulation and Data Protection Act including those for Information Sharing. Preventative Technical measures such as firewalls prevent breaches to the Council's IT Network, passwords and encryption are used to protect information held on council devices and systems. Training on Information Security and Data Protection are mandatory and form part of the employee e-learning system. Other internal and external compliance regimes are undertaken including, Internal Audit reviews and inspections such as the government's Public Services Network (PSN).

Climate change adaptation / mitigation

15. The Council plays a significant role in tackling climate change, leading by example and adapting operational activities to reduce emissions and supporting businesses, households and individuals to do the same for example the e-cargo bike delivery service Parcels not Pollution in partnership with Hammersmith BID installing Electric Vehicle charging points, installing LED Energy Saving Street Lights. Measures such as the No Mow May introduced letting grass grow wild in our parks and verges to help create more spaces for bees, plants and insects to thrive and banning the use of glyphosate weed killers in parks and open spaces. Work of the Independent Residents led Commission for Climate and Ecological Emergency, setting up a dedicated Climate Change unit and overview of the Community Safety and Environment Policy and Accountability Committee.

Coronavirus

16. Regular information and updates are communicated to a wide range of groups, residents, communities, councillors, partner organisations businesses, suppliers and council staff. Maintaining the provision of services, prioritising those that are critical whilst temporarily scaling back some or delivering more through digital routes. Ensuring the Council's track and trace continues to contact individuals who are required to self-isolate with support from Environmental Health, Regulation and Law Enforcement Teams presence and providing advice and support to businesses on the regulations and social distancing and ventilation requirements. Continued liaison and support between the Council and its key partners, in particular those for social care and health and the third sector to provide a multi-agency response. Providing support

to the delivery of a safe Census and London Mayoral election. Further support to the most vulnerable, including signposting them to other support services where appropriate, helplines and food provision referrals. Planning and exercising for Covid variants and supporting the ongoing Public Health response.

17. The guidance and template used by authors of Committee and Strategic Leadership Team reports require them to detail the risk management aspects as part of report considerations. Report authors have the opportunity to review and reflect on risk information and the links to relevant corporate standing risks and how they relate to the Council's values.

Risk management 2020/21

18. Since March 2020, a significant amount of risk management focus has been the ongoing work related to the Coronavirus pandemic. Council services have, and will continue to be, impacted by the pandemic and this places additional focus on risk management arrangements to ensure that new evolving risks are identified and treated. The impact of the Coronavirus on the council's corporate risks saw risks rise sharply and, in some cases, considerably for example risks associated with the economy and public health. To ensure that these are captured the risk register incorporates those together with their mitigations whilst always observing and considering input from key service areas.

Risk appetite

19. The Council remains accountable to the public for its performance and financial management. This means that the Council naturally has a low appetite for risk, however as the Covid-19 outbreak continued through a second successive wave the Council needed to take carefully considered risks and develop new and innovative ways to continue to deliver services, support and ensure the long-term wellbeing of communities is not impaired by decisions made in the short term. This makes good risk management essential.

Post Covid-19 Outbreak risk register

20. This report provides assurance on the council's corporate risk management arrangements, explaining the internal control arrangements in place at a strategic level. It provides one of the sources of assurance the Committee can consider when approving the Annual Governance Statement. It also enables the Committee to fulfil its roles under the Committee's Terms of Reference to review the adequacy of council's Corporate Governance arrangements, including matters such as internal control and risk management.

Risk overview and context

21. The coronavirus (Covid-19) is a threat to life, health, wellbeing and the economy. In the area this has resulted to significant disruption to the lives of residents, businesses and infrastructure and to council services, with the consequences greater for those more vulnerable or disadvantaged. Whilst many aspects of the risk have materialised, there are still numerous uncertainties and at this stage it is hard to predict the full scale, or timing, of impacts of Covid-19.

22. Appendix 1 provides assurance on how each of the risks are managed signposting to where further initiatives or information can be found. It also provides assurance on risks currently marked as 'red' – i.e. of the highest significance.
23. Appendix 2 provides a chronology of key HM Government measures implemented.
24. The roadmap for leaving lockdown, which was published on Monday 22 February, sought to balance health, economic and social factors with the very latest epidemiological data and advice. Four steps for easing restrictions were outlined. Before proceeding to the next step, the government examine the data to assess the impact of previous easements. This assessment is based on four tests which are:
 - The vaccine deployment programme continues successfully.
 - Evidence shows vaccines are sufficiently effective in reducing hospitalisations and deaths in those vaccinated.
 - Infection rates do not risk a surge in hospitalisations which would put unsustainable pressure on the NHS.
 - Assessment of the risks is not fundamentally changed by new Variants of Concern.
25. The four tests were reported as being met so the first step proceeded from 8 March, at which point the top four priority cohorts for vaccinations received a degree of immunity, three weeks after being offered their first dose.
26. Due to the current, relatively uniform spread of the virus across the country, restrictions are being eased step-by-step across the whole of England at the same time.

Key Controls in place to manage the risk

27. The council continues to respond well to an unprecedented global crisis within the resources and information available. Its strengths include working with a broad set of partners, the community and volunteers to mitigate the effects of the outbreak and then to recover. Social distancing, testing, tracing and managing outbreaks and community transmission are essential components in the response to the virus. Effective communications have been central to encourage everybody to take the required steps to help themselves and keep others safe whilst Covid-19 remains in circulation.
28. Key controls also include, but are not limited to;
 - Ongoing work of the Council's Environmental Health, Regulation and Law Enforcement Officers and their support to help local businesses be Covid safe and compliant with changes to regulations when re-opening;
 - Signposting residents to support and advice through the call centre and CAN;
 - Ameliorating the pandemic impact of increasing health inequalities through for example, commissioning a proposed integrated service across substance misuse and alcohol services and an integrated sexual health and substance service for young people; Compassionate Communities Strategic Action Plan

and Impact of COVID-19 on Children and Young Peoples mental health – reports to the Health and Wellbeing Board.

- Interpreting and responding to changes in regulations and guidance issued by HM Government and events at pace as illustrated in Appendix 2 of this report;
- Reinforcing clear communications as a priority across services and to the community to ensure that people understand restrictions introduced by HM Government and the easing of lockdown. Working to make these messages as simple as possible so that people understand the importance of keeping distance from others, wearing a face covering, washing hands, accessing testing, self-isolating and supporting the roll-out of vaccinations in order to reduce the spread of the virus;
- Establishing clear communications with NHS colleagues and Public Health throughout the course of the roll-out of the vaccines;
- Renewal of COVID-19 outbreak delegated powers to the Chief Executive, subject to periodic review;
- Responding to the impacts of Covid-19 and the challenges ahead using data analytics;
- The Council's Strategic Leadership Team have continued to receive regular reports setting out details of the Council's ongoing actions to respond to the pandemic through the second wave response and on the risk of Covid variants;
- Continuity of vitally important commissioned services for example; Specialist domestic abuse refuge accommodation; Violence Amongst Women and Girls Services; Rough Sleeper Services;
- Maintaining communications with the workforce through h&f engage, e-mail, twitter and through cascading messages;
- Reviewing resilience data of the workforce which remains high;
- Ensuring significant programmes proceed having considered Covid related issues e.g. The Civic Campus Programme;
- Maintaining a stable Digital Services platform;
- Continuity of regulatory inspections in Housing;
- To assist digitally disadvantaged students in H&F during the Covid 19 pandemic and the continuation of school food voucher provision;
- To provide mass testing sites, mobile testing units and associated staffing from 21st Dec in line with the move to then tier 3 Covid-19 measures and subsequent lockdown.
- Covid patrols as a response to the outbreak of the COVID-19 Pandemic. The Government implemented a series of instructions relating to how far apart people should be when they are outside their home. These are collectively known as 'Social Distancing'. Since these restrictions were first implemented Hammersmith & Fulham Council has taken a number of measures to support and facilitate compliance, including briefly closing all the parks and bringing in additional patrol services in order that the Council could fulfil its duty to ensure those using the parks and open spaces abided by the 'Social Distancing' guidance;
- The Council's continued ability to quickly assemble officers to deal with a major disruption event alongside partner organisations continues to demonstrate remarkable resilience;

- Co-operation and co-ordination across services on Health, Safety and Wellbeing issues. Maintaining health and safety, mental health and wellbeing standards and adapting to sudden and significant changes;
- Updating Business Continuity and Outbreak Plans, Person and Place risk assessments, Ways of Working guidance and on-line support to the workforce for example Well-being Wednesday sessions.

29. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. The impact of Covid-19 on the economy will be felt by businesses and residents resulting in an increase in demand of services and significant reductions in income realised by the Council. Whilst every possible effort is being made to protect front line services the position remains challenging and may not be sustainable.

Further actions

30. Detailed information on the actions of the Council's Services continues to be provided to the council's Policy and Accountability Committees.

Conclusions

31. Local authorities will continue to face significant pressures over the coming months responding to Covid-19 outbreaks combined with financial pressures and the other concurrent demand led pressures. Council Officers and services continue to respond with all partners to changing circumstances at pace, interpreting and implementing new guidance and regulations as they arise.

List of Appendices:

Appendix 1 - List of risks.

- Corporate and ongoing Covid response;
- Restart;
- Recovery
- Opportunity;
- Corporate Continuity;
- Community;
- Corporate Health and Safety.
- Digital Services
- Partnering.

Appendix 2 - List of national policy developments.

Appendix 3 - Her Majesty's Government National Risk Register published by the Cabinet Office. **An accessible format** of the register can be requested by accessing the GOV.UK site. Please email publiccorrespondence@cabinetoffice.gov.uk.

Appendix 4 - London Risk Register produced for the Mayor of London by the London Resilience Partnership. **An accessible format** of the register can be requested by accessing the Mayor of London website using the Contact us form | London City Hall.

Key

16-25 Red	High risk, immediate management action is required.
11-15 Amber	Medium risk, review controls for appropriateness and effectiveness
1-10 Green	Low risk, monitor and if escalates quickly check controls
Blue	Opportunity risk

Help

Risk Description	Risk described in a language that articulates clearly what could go wrong or what opportunity could be achieved.
Residual Exposure	Extent of the risk once the controls are currently in place. This is known as the residual risk and is calculated by multiplying impact of risk and likelihood of occurrence.
Existing Controls	Not all risks can be managed, but those that can are managed using a variety of controls. The art of risk management is to apply controls that are effective and efficient in reducing the exposure.
Risk Owner	This is the person or team best positioned to manage the identified risk
Likelihood and Impact	Based on a 1 to 5 scale with 1 Very Low and 5 Very High, the Score then is automatically calculated by multiplying them together.

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
13	management of further widespread infection across the community.	01 January 2021 LBHF rapid test sites set up at The Sands End Arts and Community Centre, Fulham, Council Offices at 145 King Street, Hammersmith and Shepherds Bush Library, Wood Lane Shepherds Bush. New communications include the Stop Covid and get tested mobile van to promote the rapid tests. '04 January 2021 HM Government announce a further national lockdown, closure of schools and a stay at home instruction to save lives and protect the NHS. Infection rates have risen sharply putting pressure on hospitals as admission rates increased. 05 January 2021 Mayor of London declares a Major Incident in Greater London adding that the hospitals in the Capital are stretched. LBHF previously ramped up resources to Test and Trace contact staff with a redeployment of some Libraries staff. This was done swiftly and with rapid set up from Digital Services. There has been positive messaging on Social Media platforms on the experience of the LBHF local testing centres and their efficiency. 11 January 2021 Excel Centre opens as a mass vaccination centre. 19 January 2021 LBHF facilitate the opening of a rapid test facility at Holy Innocents Church in Brackenbury Village. 19 January 2021 LBHF facilitate the opening of a new walk-in Covid-19 testing centre at Our Lady of Fatima Church in White City. 24 February 2021 Review of Covid patrols provision at Contracts Assurance Board to maintain HM Government Social Distancing guidance. 18 March 2021 Review of Outbreak Planning and Business Continuity Planning documents. 25 March 2021 Review of the overarching Outbreak Plan at Covid-19 Board. 29 March 2021 The track and trace team in H&F outperforms the national scheme both in terms of speed of response and contacts traced. So, from this week h&f became one of three London Councils to have brought the track and trace operation entirely in-house. This local approach means h&f can also provide welfare support and local help and advice for those who need it. February - May 2021 Planning, exercising and briefing in response to a Covid Variant of Concern and Surge Testing. Management and mitigation of Census 21 and Mayoral Elections. Environmental Health, Regulation and Law Enforcement support, site visits and compliance checking. 14 May 2021 Resilience Group update on Track and Trace in the borough; Outbreak Control (closure of the Holy Innocents Church facility), Vaccination and Enforcement updates. 17 May 2021 HM Government Step 3 easing of Lockdown restrictions according to the Roadmap.	Gold group; Strategic Leadership Team Director of Public Health Director of Covid-19	Medium residual risk AMBER	Keep risk under review Residual risk likelihood lowered following 17 May 2021 HM Government easing of the lockdown restrictions, and reduced infection rate.	18/05/2021	Open

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
18	impact on the local economy and businesses	<p>05 January 2021 HM Treasury announce £4.6 Billion in new lockdown grants to support businesses and protect jobs. Businesses in the retail, hospitality and leisure sectors are to receive a one-off grant worth up to £9k. 08 January 2021 Refreshed Social Media message for local business food delivery services in the h&f Food Guide. 18 January 2021 Business grants update on Social Media platforms providing the latest information on Grants that business can apply for now, upcoming grants and payments.</p> <p>21 January 2021 Rapid test sites in W12, W6 and SW6 22 February 2021 HM Government announce a roadmap outlining 4 steps for the easing of restrictions and re-opening of businesses including hospitality and other non-essential places. 10 March 2021 HM Government ban on commercial evictions until 30 June 2021. 28 March 2021 Easing of restrictions weekly report from the Leader of the Council. Re-opening of the great outdoors in h&f. Outdoor sports and leisure facilities re-opening, outdoor spaces, parks, White City mini-forest, river walks and green spaces. Covid business grants applications deadline for local support reminder issued in advance of the 31 March 2021 HM Government deadline.</p> <p>Applications re-open for h&f Our Space is Your Space scheme.</p> <p>Details of the free Covid testing facilities in the local h&f testing centres and signposting to the rapid lateral flow test for employees workplace HM Government site in advance of the 12 April 2021 deadline for applications.</p> <p>Additional Restrictions Grant applications, processing and awards for micro and small businesses trading in the borough. The grant is aimed at helping businesses to pay for fixed costs during the national lockdown from November 2020 to April 2021. Self-employed people who received Self-Employment Income Support payments were eligible for this grant phase. Closed on 14 May 2021 for applications. Assessments will be completed by 18 June 2021.</p> <p>Application support was provided through the Council's H&F Business Desk.</p> <p>17 May 2021 Easing of HM Government Lockdown restrictions Step 3 - indoor hospitality can reopen and indoor entertainment can resume, including cinemas, museums and children's play areas, all remaining outdoor entertainment can reopen including conferences, theatre, concert performances and sports events. Restrictions on the number of attendees is set out in the detail of the roadmap.</p>	Strategic Director for the Economy, Director of Finance	Medium residual risk AMBER	Keep risk under review Likelihood reduced due to the easing of lockdown restrictions however a risk may manifest into a rent debt crisis at national level.	18/05/2021	Open
25	impact on security of council tenants, private renters and homeowners.	<p>08 January 2021 HM Government funding to help accommodate all those currently sleeping rough and ensure that they are swiftly registered with a GP where they are not already. Measures are to aid in contacting individuals to receive vaccinations in line with priority groups outlined by the Joint Committee on Vaccination and Immunisation (JCVI)</p> <p>Renters will continue to be supported with an extension to the ban on bailiff evictions for at least six weeks until at least 21 February 2021 with measures kept under review by MHCLG. Courts will continue to prioritise cases, such as those involving anti-social behaviour, illegal occupation and perpetrators of domestic violence. Landlords continue to be required to give 6-month notice period to tenants until at least 31 March 2021 expect in the most serious circumstances.</p> <p>10 March 2021 HM Government evictions ban in England extended until May.</p>	Assistant Director of Residents Services, Strategic Director for the Economy	Medium residual risk AMBER	Keep risk under review Risk may manifest into a rent debt crisis at national level.	27/05/2021	Open

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
30	maintaining regulatory gas inspections during a period where residents are self-isolating or not responding to appointments	20/01/2021 January 2021 SLT briefing on position - Housing Compliance Briefing note to the Cabinet Member for Housing. 17/02/2021 February 2021 SLT briefing on position - Housing Compliance Briefing note to the Cabinet Member for Housing. 15/04/2021 April 2021 SLT briefing on position - Housing Compliance Briefing note to the Cabinet Member for Housing.	Interim Strategic Director for the Economy Department	Low residual risk GREEN	Keep risk under review	18/05/2021	Open
32	risk to the Council that there is a supplier failure in an existing contract or to one recently awarded due to financing/cash flow or other liquidity pressures	27 January 2021 Ongoing monitoring and review at Contracts Assurance Board 29 March 2021 Review being undertaken with Internal Audit and Social Care Finance and Commissioners on provider consolidation risk in Social Care.	Head of Procurement and Contracts	Medium residual risk AMBER	Keep risk under review Risk may manifest into a consolidation and dominance provider risk.	29/03/2021	Open
37	prevention of social unrest and crime and disorder.	09 January 2021 Social Media messaging urging residents and visitors to use parks and open spaces safely, keeping a safe distance and limiting exercise to once a day and avoiding extremely busy areas such as Riverside Walk in Hammersmith. Message being communicated with others such as the Wendell Park Gardening friends 10 January 2021 Messaging repeated. 24 February 2021 Contract Assurance Board review and approval of Covid Patrol Resource provision. 17 March 2021 Contract review and extension of Covid Patrol Resource provision at Contracts Assurance Board; 22 March 2021 New law enforcement team training plan review at Technical Assurance Group and subsequently Covid Board.	Assistant Director Safer Neighbourhoods	Medium residual risk AMBER	Keep risk under review	29/03/2021	Open
44	COVID financing during the ongoing crisis and then recovery	27 January 2021 Ongoing monitoring and review within Corporate Revenue and Capital Monitor reports. 31 March 2021 Finance, Commercial Revenue and Contracts Policy and Accountability Committee review of 2022 Budget Context report contextualised with an update on national finances and the financial impact of ongoing HM Government austerity.	Director of Finance	High residual risk RED	Keep risk under review	29/03/2021	Open
48	maintaining (non-financial) support for families and the community during the crisis	08 January 2021 LBHF work with London charity Ready Tech Go to connect unwanted devices to pupils that need kit to help access school lessons. 16 January 2021 Joint promotion of the H&F Winter Covid Fund grants with United in Hammersmith and Fulham to support vulnerable people with their mental health and tackling loneliness and isolation. 20 January 2021 the LBHF Track and Trace Service continue to respond to calls and e-mail requests where Officers provide information on accessing foodbanks, Volunteer offers, testing centres, isolation payments, Covid compliance concerns and local track and trace information managed through the Environmental Health Team. 29 March 2021 The track and trace team in H&F outperforms the national scheme both in terms of speed of response and contacts traced. So, from this week h&f became one of three London Councils to have brought the track and trace operation entirely in-house. This local approach means h&f can also provide welfare support and local help and advice for those who need it.	Chief Executive Family Services, Strategic Director of Children's Services, Strategic Director of Social Care	Low residual risk GREEN	Keep risk under review	29/03/2021	Open

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
51	emerging requirements for residents in Care Homes and any potential exposure to COVID.	Ongoing monitoring at SLT, Covid-19 Board and Resilience Group meetings (high risk settings).	Strategic Director Social Care, Director of Public Health, Director of Covid-19	Medium residual risk AMBER	Keep risk under review *amended to note LBHF as a leader in introducing lateral flow testing as a route to enabling Care visits.	27/01/2021	Open
55	there is a risk that suppliers are affected by either significant demands in the service or drops due to social isolation and they may struggle as a result.	Ongoing monitoring of commissioned and procured services in departments also at Contracts and Assurance Board. 24 March 2021 - position review conducted at Contracts Assurance Board.	Strategic Leadership Team	Medium residual risk AMBER	Keep risk under review	29/03/2021	Open
56	there is a risk that statutory/regulatory inspections e.g. Ofsted CQC will not be carried out or completed.	21 January 2021 indications are that Ofsted may re-start on-line assessments. 29 March 2021 HM Government update on inspection activity across all services and remits for the rest of the summer term. A full programme of graded school inspections will resume in Autumn 2021. From 4 May 2021 some inspections will re-commence on-site. Secondary Schools will be included in inspection schedules from 21 June 2021. Most schools will not receive an inspection until the programme of routine inspections restarts in September 2021 unless significant concerns are raised. Early Years registered providers inspections will begin from 4 May 2021. Children's Services inspections will gradually restart and from June 2021 regular focussed visits will recommence. Routine inspections for all Social Care settings under the Social Care Common Inspection framework will begin on 12 April 2021 along with the SEND Ofsted and Care Quality Commission inspections.	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review. Updated to reflect the rolling update for Ofsted Inspection of Children's Services; Children's Services Inspection Frameworks and Social Care	29/03/2021	Open
57	there is a risk that there may be some spike in insurance claims following the initial response.	Ongoing monitoring of any emerging trends or patterns through the Shared Insurance Service.	Director of Audit Risk Fraud and Insurances	Low residual risk GREEN	Keep risk under review	27/01/2021	Open
58	there is a risk that there may be some initial increase in demand for services following any relaxation of the Stay Home HM Government policy	21 January 2021 discussed at Covid-19 Board, there were some indications of contractors reporting increased levels of sickness that may inevitably impact upon the delivery of contracted services. Situation to be closely monitored. January – May 2021 Reviews at Covid-19 Board and departmental management Teams	Gold group Covid-19 Board	Medium residual risk AMBER	Keep risk under review	25/05/2021	Open
60	there is a risk to those individuals who require additional support including those with mental health or drug and alcohol addiction.	20 January 2021 LBHF Contracts Assurance Board approval to continuity request for the DVAWG provision. 22 January 2021 the Winter Wellbeing Fund set up by the Council and administered by local charity UNITED in h&f award to the Violence Intervention Project (VIP) set up in 2017 to steer young people away from violence. 17 March 2021 Contracts Assurance Board review and approve proposals for a family of substance misuse services.	Strategic Director of Social Care, Strategic Director of the Environment	Low residual risk GREEN	Keep risk under review	29/03/2021	Open

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
64	there is a safety concern to individuals in the workforce who may be at increased risk of any exposure to Covid-19	08/01/2021 Concerns regarding location of testing centre, briefing note to Covid-19 Board. Corporate Health and Safety verification of separation of areas; layout and adherence to the Standing Operating Procedures to which we are bound. 01/02/2021 New app. launched enabling Managers to update staff sickness in circumstances where staff are not able to do so themselves, this was accompanied by a reminder to all staff on the sickness absence recording facility on the IBC system. 25 March 2021 - Workforce resilience data, review of the LBHF Outbreak Plan at Covid-19 Board.	Assistant Director Transformation, Talent and Inclusion	Low residual risk GREEN	Keep risk under review Updated Place risk to Service risk	29/03/2021	Open
66	there is a risk that lockdown will be localised to areas within or around the borough being quarantined that will require focussed support (housing estates, care homes, schools, offices or shops). This includes moving between any Tiers set by national government.	Ongoing monitoring of the local infection levels at Covid-19 Board meetings through BI data analysis. Surge testing, planning exercising and briefing.	Strategic Leadership Team	Medium residual risk AMBER	Keep risk under review	18/05/2021	Open
67	there is a risk that infection controls are less effective if Pillar 2 fails - swab testing by the commercial sector	Ongoing monitoring of commercial sector.	Director of Public Health	High residual risk RED	Keep risk under review	27/01/2021	Open
68	there is a risk that a Cyber Attack may significantly affect the ongoing response.	27 January 2021 Ongoing monitoring of threat levels and scams. Raising awareness and communications to Officers. * Reference to the National Risk Assessment and Risk Register issued through Covid 19 Board January 2021.	Chief Digital Officer	High residual risk RED	Keep risk under review	21/05/2021	Open

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
1	there is an increased risk of a critical business failure to the just-about-managing (JAMs) who are likely to be most exposed to those sectors affected by the mandatory shutdowns in retail, hospitality and leisure.	22 February 2021 HM Government sets out a roadmap for cautiously easing lockdown restrictions in England. Four key tests include: the successful deployment of the vaccine; evidence in hospitalisations and death reductions in those vaccinated; infection rates do not risk a surge in hospitalisations and unsustainable pressure on the NHS; assessments of new Variants of concern. Step 2 no earlier than 12 April 2021 will see the opening of most outdoor attractions and settings including outdoor hospitality venues, some social contact rules continue to be applied. 17 May 2021 Step 3 introduces further relaxation including larger indoor performances with a limit on capacity for both indoor, 1,000 people and outdoor 4,000 people or half full, larger venues which are seated can host 10,000 people or quarter-full whichever is lower. Step 4 on 21 June 2021 hopes that restrictions will be eased removing all limits on social contact.	HM Treasury	High residual risk RED	Keep risk under review	17/05/2021	Open
2	there is an increased risk to, trades and other occupations who are least suited to working from home. Their reliance on public modes of transportation once initial restrictions are lifted will place them at the forefront of the second or successive waves of infections and deaths.	22 February 2021 HM Government sets out a roadmap for cautiously easing lockdown restrictions in England.	Department for Transport Transport for London	Medium residual risk AMBER	Keep risk under review	17/05/2021	Open
3	there is an increased risk to new entrants to the labour market who may face structural dislocations that can disadvantage their lifetime earning potential.	HM Government Incentive payments for hiring a new apprentice. 15 October 2020 Recovery Board Gateway review - Communications on internal opportunities planned.	Department for Work and Pensions	High residual risk RED	Keep risk under review	27/01/2021	Open

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
4	there is an increased risk of intergenerational fairness becoming even more intractable. Interest rates at the zero lower band may help those seeking to refinance a mortgage but will be unwelcome to first-time buyers saving for a deposit. In contrast to incomes that have been depressed or lost altogether, wealth may recover more quickly benefiting older households.	<p>Ministry of Housing Communities and Local Government 19 February 2021 Guidance updated to reflect new legislation extending the prevention on enforcement of evictions in England during the national lockdown and launch of the mediation pilot</p> <p>24 March 2021 Ministry of Housing Communities and Local Government guidance updated to</p> <p>1) reflect the government's commitment to extend the prevention of evictions by enforcement officers in England to 31 May 2021 and</p> <p>2) confirm that legislation requiring landlords to provide 6 months' notice to tenants in most cases has been extended until 31 May 2021</p> <p>7 April 2021 Guidance updated to link to new guidance on (COVID-19) Coronavirus restrictions.</p> <p>The government has put in place a major package of financial support to enable people to continue paying their living costs, including rental payments. This includes support for businesses to pay staff salaries through the Coronavirus Job Retention scheme. The Job Retention Scheme (furlough) is in place until the end of September. Employees will continue to receive 80% of wages for hours not worked. Financial support for the self-employed is also available. If tenants fall into financial difficulties due to a change in their employment or earnings, for example, they may qualify for Universal Credit, which can include help with housing costs.</p> <p>If a landlord is concerned about their financial situation they should discuss this with their lender.</p> <p>There is currently legislation in place banning the enforcement of lender repossession, except for in exceptional cases (such as a borrower requesting proceeding continue) until at least the end of 31 May.</p> <p>Further information on mortgages and the support available during the coronavirus outbreak is available from the Money Advice Service and UK Finance.</p>	Ministry of Housing, Communities & Local Government	High residual risk RED	Keep risk under review	17/05/2021	Open
6	there is an increased risk that staff may misinterpret announcements by the Prime Minister regarding easing of lockdown as a green light to return to office-based working.	<p>22 February 2021 HM Government sets out a roadmap for cautiously easing lockdown restrictions in England.</p> <p>Production of the 3rd iteration of the Ways of Working guidance.</p>	Chief Executive	Low residual risk GREEN	Keep risk under review	27/05/2021	Open
11	there is a risk that the HM Government's easing of the working hours in the construction industry will have an adverse effect on the local residents and businesses.	Environmental Health, Regulation and Law Enforcement Officers support, visits and compliance work in accordance with the HM Government Roadmap.	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review	18/05/2021	Open

Ref No.	Risk Description 'There is a risk of..'	Controls from 01 January 2021	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
13	there is a risk that HM Government's proposals for retail businesses to re-open will result in some businesses not being Covid safe on re-opening.	11 January 2021 - Continuing work of the council's Enforcement and Compliance Teams to ensure that business are operating within the applicable regulations at this time. Jan - April 2021 Reviews of Outbreak plans and Business Continuity plans. Environmental Health Officers supporting businesses to aid compliance with the Covid regulations in preparation of easing of restrictions according to the HM Government Roadmap. Environmental Regulation Officers monitor the compliance of workplaces and undertake drive-by and site visits. 19 March 2021 Our Space is Your Space Council scheme supported by the Shop Local Shop Safe Campaign in partnership with local business leaders. Use of public space near business premises (pavements; on-street parking bays; communal spaces) to aid high streets, retailers, small businesses and arts organisations. April - May 2021 Vaccination roll-out; introduction of Lateral Flow Testing at home; Surge Testing preparatory work, planning, exercising and briefing.	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review	17/05/2021	Open
15	there is a risk that HM Government's proposals for reduction/increase of lockdown restrictions and the speed of how regulations change, could lead to local housing estates, schools, businesses or workplaces being closed in order to stem the virus. Places where Covid Variants are identified could be placed under local lockdown conditions or be subject to Surge Testing.	Contingency planning; Review of service continuity plans to prepare for a 2nd wave of infections or local outbreak.; Public Health Planning; London Planning; Outbreak Plans 16 September 2020 - Cabinet Office virtual review of local arrangements 07 October 2020 - Resilience Group updated on recent management and control of local outbreaks undertaken by the Incident Management Team. 15 October 2020 - Risk now realised as HM Government has introduced a tiered and regional response. Some issues would be managed at a London regional level. 22 February 2021 - HM Government roadmap to ease Coronavirus lockdown restrictions; HM Government set out its plan for the return to face to face education; the following testing measures are set out - All Primary school staff to continue to take 2 rapid Covid tests each week at home; All Secondary school and college students will take 3 Covid tests as they return to the classroom at existing school facilities. After the initial 3 tests 2 rapid Covid tests will be provided to use each week at home. Secondary school and college staff will be provided with 2 tests to use each week at home. University students on practical courses can return on 8 March 2021 to in-person learning, twice weekly testing to be made available to all on campus. Where social distancing measures cannot be implemented in secondary schools and colleges staff and students to be advised to wear face coverings in all areas including classrooms. Further details are provided on the DfE website Jan - April 2021 Reviews of Outbreak plans and Business Continuity plans. Environmental Health Officers supporting businesses to aid compliance with the Covid regulations in preparation of easing of restrictions according to the HM Government Roadmap. Environmental Regulation Officers monitor the compliance of workplaces and undertake drive-by and site visits. April - May 2021 Vaccination roll-out; introduction of Lateral Flow Testing at home; Surge Testing preparatory work, planning, exercising and briefing.	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review *removed reference to Covid Tiers and added a reference to Covid Variants in place of hotspots. Likelihood reduced to reflect a reduction in infection rates.	17/05/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
1	there is an increased risk in meeting mutual assistance which is likely to include sustained financial support	Recovery Strategy, Horizon scanning, Humanitarian aid planning, Recovery Group Step up Plan for successive Waves; Greater London Regional response. HM Government Grants. 19 January 2021 - Recovery Co-ordination Group meeting review of approach. February - May 2021 Covid 19 Board reviews of key data (dashboard) including calls into and out of the CAN Team	Head of Regulatory Services Director of Covid	Medium residual risk AMBER	Keep risk under review	17/05/2021	Open
2	there is an increased risk in meeting demands for services temporarily suspended or reduced during the COVID response.	Recovery Strategy, Horizon scanning, Recovery Group 19 January 2021 - Recovery Co-ordination Group meeting review of approach. February - May 2021 - Integrated recovery planning with business, resource, workforce, transformation and Medium-Term Financial Strategy plans. Development of New Ways of Working guide, version 3.	Strategic Leadership Team	High residual risk RED	Keep risk under review	17/05/2021	Open
3	there is a risk that any return to office-based working is delayed due to implementing new distancing measures and workforce rotas in offices	Facilities management and Transformation, Talent and Inclusion workplace and workforce planning, risk assessment. Recovery Group. Ways of Working and Version 2 made available, Version 3 nearing conclusion. 04 January 2021 - another national lockdown is announced in England re-stating the stay at home message. 19 January 2021 - Recovery Co-ordination Group meeting review of approach. 22 February 2021 - Relationship to the Civic Campus Programme, Operational & Asset Management , IT/AV and Workforce Strategies (Internal looking) February - May 2021 Environmental Health, Regulation and Law Enforcement Officers support, site visits and compliance monitoring. (Outward looking)	Facilities Management Soft and Hard Services, Assistant Director of Transformation, Talent and Inclusion	Low residual risk GREEN	Keep risk under review	18/05/2021	Open
4	there is a risk to local arts, theatres, music and other venues in the borough if the period of social distancing continues for a considerable period	Recovery Strategy, Arts Strategy, Recovery Group - Industrial Strategy - Our Space is Your Space 14 May 2021 The digital creative network west partnership with Upstream, West London Business and Creative Enterprise Zone West aims to foster and strengthen relationships with large anchor organisations, start-ups and academia in H&F and neighbouring boroughs. 17 May 2021 Easing of HM Government Lockdown restrictions Step 3 - indoor hospitality can reopen and indoor entertainment can resume, including cinemas, museums and children's play areas, all remaining outdoor entertainment can reopen including conferences, theatre, concert performances and sports events. Restrictions on the number of attendees is set out in the detail of the roadmap.	Assistant Director for the Economy	Medium residual risk AMBER	Keep risk under review	18/05/2021	Open
5	There is a risk to employment and businesses in the hospitality and travel sector	Recovery Strategy, Recovery Group - Industrial Strategy 19 January 2021 - Recovery Co-ordination Group meeting review of approach. Additional Restrictions Grant applications, processing and awards for micro and small businesses trading in the borough. The grant is aimed at helping businesses to pay for fixed costs during the national lockdown from November 2020 to April 2021. Self-employed people who received Self-Employment Income Support payments were eligible for this grant phase. Closed on 14 May 2021 for applications. Assessments will be completed by 18 June 2021. Application support was provided through the Council's H&F Business Desk. 17 May 2021 Easing of HM Government Lockdown restrictions Step 3 - indoor hospitality can reopen and indoor entertainment can resume, including cinemas, museums and children's play areas, all remaining outdoor entertainment can reopen including conferences, theatre, concert performances and sports events. Restrictions on the number of attendees is set out in the detail of the roadmap.	Strategic Director The Economy Department	Medium residual risk AMBER	Keep risk under review	18/05/2021	Open

RECOVERY

Appendix 1

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
6	There is a risk that services begin to re-design office or workplace layouts without reference to corporate plans and asset management.	Recovery Strategy, Recovery Group, Recovery Co-Ordinating Group; Phased approach to re-occupation of Corporate Buildings, risk assessment, Civic Campus Programme and Workstreams. Business, Resource, Asset, Transformation planning and Medium-Term Financial Planning.	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review	18/05/2021	Open
7	There is a risk that some businesses that trade with the Council or provide a service are not able to continue due to financial pressures that provide a key service to the Council. Existential risk.	Recovery Strategy, Recovery Group, Supply Chain resilience and continuity planning Credit safe Covid-19 risk appraisal for the Council's suppliers requested and shared with the Corporate Procurement Team. Contracts Assurance Board and Chief Executive to consider proposals 19 January 2021 - Recovery Co-ordination Group meeting review of approach. 24 February 2021 - Issue raised at Contracts Assurance Board and continuing discussion with the Director of Finance	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review	24/02/2021	Open
9	There is a risk of staff burn out due to the focus, effort and energy committed by staff to the initial Covid-19 response and then a second surge or wave of local infections.	25 June 2020 Raised at pre-mortem with the Leadership forum and discussed at Recovery Board. Managers encourage staff and themselves to take annual leave. Managers Assist has been launched on the Intranet that compliments the Wellbeing Wednesdays, and work Employee Assistance Programme. Regular meetings with TU's and Transformation, Talent and Inclusion Regular reminders of the Council's Welfare Offers and Support Mechanisms; Wellbeing Wednesdays Staff Survey; Your Resilience, Mental Health First Aiders; Mental Health Awareness Week. 19 January 2021 - Recovery Co-ordination Group meeting review of approach. February - May 2021 - Review of workforce absences at Covid-19 and Resilience Group indicates a very low level of reported sickness and a highly resilient workforce.	Strategic Leadership Team and Transformation, Talent and Inclusion	Medium residual risk AMBER	Keep risk under review	18/05/2021	Open
10	There is a risk that some services are affected by Agile and/or Remote working and that may affect the efficient delivery of services that we aspire to deliver to the public.	19 January 2021 - Recovery Co-ordination Group meeting review of approach. 22 February 2021 - Relationship to Civic Campus Programme and the Workforce Strategy Workstream April - May 2021 - Workstyle Staff Survey; Leadership Forum briefing	Leadership Forum and Transformation, Talent and Inclusion	Medium residual risk AMBER	Keep risk under review	18/05/2021	Open
11	There is a risk that the demand for pace impacts on areas which require more time and learning – such as innovation, co-production and climate change	25 June 2020 Raised at pre-mortem with the Leadership forum and discussed at Recovery Board 08 October 2020 Reviewed progress of the Recovery at a Gateway review at Recovery Board. 19 January 2021 - Recovery Co-ordination Group meeting review of approach.	Director of Covid-19	Low residual risk GREEN	Keep risk under review Likelihood reduced to reflect progress on policies associated with Climate Change and Inclusion, Diversity and Equalities.	18/05/2021	Open

RECOVERY

Appendix 1

Ref No.	There is a risk of..	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
12	Workforce gaps from loss of staff and agency reduction	25 June 2020 Raised at pre-mortem with the Leadership forum and discussed at Recovery Board Recovery Planning and MTFS - Innovation and change, taking benefits from Digital Services as a form of Outreach to the Community examples include the use of AI to contact vulnerable people or use of h&f CAN volunteers Financial modelling of the impacts on Council finances and resilience at Finance Board and Strategic Leadership Team 24 September 2020 SLT Assurance - raised during the review of the performance dashboard and the possible shift from reliance on Agency provision to fte's. Risk mitigated through Resource Management Board reviews. 19 January 2021 - Recovery Co-ordination Group meeting review of approach. 22 February 2021 - HM Government roadmap for easing Coronavirus restrictions announced. 24 February 2021 - Review of Workforce Resilience at Recovery Group indicates good attendance levels and high resilience. April - May 2021 - Continuation of reviews of Workforce Resilience at Recovery Group, links to future business, finance, resource and transformation planning.	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review	17/05/2021	Open
13	Deterioration in partner relationships leads to loss of confidence in Council and partners overwhelmed/ fatigued/ unclear of their role	25 June 2020 Raised at pre-mortem with the Leadership forum and discussed at Recovery Board Partners may be faced with managing new challenges and objectives that are a consequence of Covid-19 The Council has extensively reached out to partners to keep them informed and supported during Covid-19 additional financial support has been made through local organisations funding, HM Government Grants or schemes 19 January 2021 - Recovery Co-ordination Group meeting review of approach. 22 February 2021 - HM Government roadmap for easing Coronavirus restrictions announced.	Strategic Leadership Team	Medium residual risk AMBER	Keep risk under review	19/01/2021	Open
14	Failure to consistently communicate and engage with residents on recovery plans	25 June 2020 Raised at pre-mortem with the Leadership forum and discussed at Recovery Board Communications and consultations strategy reviewed and discussed at Recovery Board 16 September 2020 Libraries re-opening messaging on Social Media, clarity provided on changes, maintaining on-line library resources; limiting capacity to enable social distancing; newspapers and magazines can be accessed through on-line resources. 20 October 2020 Recovery Co-Ordination Group review of Communications approach as part of the Gateway Review 19 January 2021 - Recovery Co-ordination Group meeting review of approach. 22 February 2021 - HM Government roadmap for easing Coronavirus restrictions announced.	Strategic Lead for Communications and Communities	Low residual risk GREEN	Keep risk under review	24/02/2021	Open

OPPORTUNITY

Appendix 1

Ref No.	There is a ...'	Measures from 01 January 2021	Owner	Monitoring	Date reviewed	Status Open/Closed
1	there is an opportunity to retain some of the working from home arrangements proven during the COVID response.	Recovery Strategy, Workforce plan, space planning and desk booking system rollout. All staff briefings. 22 February 2021 Ways of Working guidance document (Third iteration is currently being worked on); Relationship to the Workforce Strategy Workstream of the Civic Campus Programme. 21 April 2021 Managers Forum; Hello Future - Workforce survey May 2021 Technical Assurance Group reviews of Service return requests 11 May 2021 Leadership forum presentation - Road to Recovery, New Ways of Working 12 May 2021 Civic Campus Programme Board update - Highlight report and Workforce Workstream update - Transformation programme and change management support reviewed with Entec. 13 May 2021 New Ways of Working update to Covid-19 Board	Assistant Director for Transformation, Talent and Inclusion	Keep opportunity under review	17/05/2021	Open
2	there is an opportunity to retain some of the environmental benefits from reduced commuting and working from home, (including printing costs), arrangements proven during the COVID response.	Recovery Strategy Climate emergency and recovery presentation at Recovery Board Ref to Opportunity 1 and gains from Ways of Working Gateway review 22 February 2021 Relationship to the Workforce Strategy Workstream of the Civic Campus Programme. 21 April 2021 Managers Forum; Hello Future - Workforce survey content on journeys to/from work. 04 May 2021 Cabinet report from the Climate and Ecological Emergency Commission - recommendations 2.2 Transport	Chief Officer, Public Realm	Keep opportunity under review	17/05/2021	Open
3	there is an opportunity to retain some of the physical use of property benefits from reduced commuting and working from home arrangements proven during the COVID response.	Recovery Strategy Gateway review 22 February 2021 Relationship to the Operational & Asset Management Strategy Workstream of the Civic Campus Programme. 17 May 2021 Estate Efficiencies & Performance report proposals (Cabinet report)	Facilities Management	Keep opportunity under review	17/05/2021	Open
4	there is an opportunity to retain some of the services moved to a digital form of delivery proven during the COVID response.	Recovery Strategy; 13 August 2020 discussed at Recovery Board - Digital Services to be a mandatory theme amongst recovery proposals, Gateway review 22 February 2021 Relationship to the IT/AV Strategy Workstream of the Civic Campus Programme.	Strategic Leadership Team, Chief Information Officer Digital Services	Keep opportunity under review	24/02/2021	Open
5	there is an opportunity to return some services which were geographically dispersed to the local area boosting local employment opportunities and resources	Recovery Strategy Gateway review Industrial Strategy; Workstyle Survey Social Value Policy (Commissioning and Procurement, Use of the Social Value Portal)	Strategic Leadership Team	Keep opportunity under review	17/05/2021	Open

OPPORTUNITY

Appendix 1

Ref No.	There is a ...'	Measures from 01 January 2021	Owner	Monitoring	Date reviewed	Status Open/Closed
6	there is an opportunity to review areas of family service provision following the initial Covid-19 outbreak and retain or further develop on-line digital services.	Recovery Strategy; 13 August 2020 Family Services re-opening of the Askham Centre considered at Recovery Board, Gateway review Family Support Services Project (Delivered as an in-house service April 2021)	Strategic Leadership Team	Keep opportunity under review	17/05/2021	Open
7	there is an opportunity to review areas of the Civic Campus Programme for opportunities and benefits delivered and how they can contribute to the post Covid-19 delivery of Council Services	Recovery Strategy, Gateway review 22 February 2021 - Introduction of Workstream covering Commercial Strategy - Civic Campus Construction - Workforce Strategy - Operational & Asset Management Strategy - IT/AV Strategy - Stakeholder Relations and Comms - Corporate Assurance - Co-Production Overview April - May 2021 Civic Campus Programme - monitoring on workstreams, milestones and objectives	Strategic Leadership Team	Keep opportunity under review	17/05/2021	Open
8	there is an opportunity to utilise the h&f CAN volunteers in other areas and also to review the current operating hours for the call centre	Mindful of a potential 2nd wave, we have maintained contact with the volunteers, planned and rehearsed any potential outbreak planning. This has included the stepping back up of shielding support and provision of food and support via volunteers. This has recently been commented on by the cabinet office at a site visit 16th September as "Impressive" planning. September 2020 h&f CAN/Shield staff supporting Local Contact Tracing calls. Weekly review of CAN Volunteers data at Resilience Group meetings.	Assistant Director for Housing Operations	Keep opportunity under review	17/05/2021	Open
9	there is an opportunity to utilise world-leading artificial intelligence technology like the Yokeru system to identify those residents in greatest need and get help to them without delay including food parcels.	Recovery Strategy - The Council quickly put in place h&f Shield with Volunteers from h&f CAN and staff from the business intelligence unit. Yokeru were brought in to make automated calls to 9000 residents to see who needed help urgently. Volunteers and staff then followed up in person. Gateway review	Chief Information Officer Digital Services	Keep opportunity under review	20/10/2020	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
1	risks associated with the failure of the IT Network infrastructure	Insurances-Business Continuity plan(s)-Disaster recovery plan-Service Resilience Group London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. Civic Campus Programme notes significant de-risking in December 2020 with planned moves away from the Town Hall complete. 07 April 2021 Strategic Leadership Team Assurance meeting - Briefing from the Chief Information Officer on the Cyber security status and progress of audit recommendations.	Chief Information Officer Digital Services	Medium residual risk AMBER	Keep risk under review Updated to reflect report to Strategic Leadership Team Assurance	17/05/2021	Open
2	risks associated with the failure of the IT Network Cyber attack(eg.total or partial loss of data)	User training and guidance-Firewalls-Backups-'Insurances-Business Continuity plan(s)-Disaster recovery plan-Service Resilience Group 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment, (refer to the chapter on Malicious attacks). 07 April 2021 Strategic Leadership Team Assurance meeting - Annual IT Health Check report (The IT Health Check is a set of penetration tests and manual checks run against H&F's external and internal IT infrastructure. It is conducted each year by an independent certified auditing company) 20 May 2021 1st Review Session - Exercise and Workshop	Chief Information Officer Digital Services	High residual risk RED	Keep risk under review National Risk Register; Disaster recovery plan to be reviewed.	17/05/2021	Open
3	risks associated with loss of a major IT system	Business Continuity plan(s)-Contractual obligations of the provider-periodic credit reviews-contract management-emergency procurement- 07 April 2021 Strategic Leadership Team Assurance meeting - Head of Information & Data Protection Officer Planning of Information Asset Review and workshops. 18 May 2021 Information asset workshops.	Information Asset Owner	High residual risk RED	Keep risk under review Updated to reflect Works at Hammersmith Town Hall; Disaster recovery plan to be reviewed.	17/05/2021	Open
5	risks associated with Workforce - Covid and changes following Brexit.	Workforce plan-Vendor Neutral Agency Provider-'Business Continuity plan(s)- Outbreak Plan London Resilience reporting. Workforce resilience statistics monitor, regular review at Resilience Board meetings. 24 February 2021 Ways of Working guidance document. (Third iteration currently being worked on); Relationship to the Civic Campus Programme. 21 April 2021 Managers Forum; Hello Future - Workforce survey 11 May 2021 Leadership forum presentation - Road to Recovery, New Ways of Working 12 May 2021 Civic Campus Programme Board update - Highlight report and Workforce Workstream update - Transformation programme and change management support reviewed with Entec. 13 May 2021 New Ways of Working update to Covid-19 Board	Assistant Director of Transformation, Talent and Inclusion	Medium residual risk AMBER	Keep risk under review	17/05/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
6	risks associated with Terrorism or Explosion in the local area	Licensing and inspections-Security-Emergency Plan-Business Continuity plan(s)-Insurance London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment, (refer to the chapter on Malicious attacks and Major accidents). 25 January 2021 MI5 The threat to the UK (England, Wales, Scotland and Northern Ireland) from terrorism is SEVERE. SEVERE means an attack is highly likely. 08 February 2021 The threat level was reduced from SEVERE to SUBSTANTIAL due to the Government's assessment in the reduction in the momentum of attacks in Europe. 01 May 2021 Borough Resilience Forum update of risks based upon the London Risk Register.	Chief Officer Safer Neighbourhoods	Medium residual risk AMBER	Keep risk under review Updated to reflect Borough Resilience Forum Risk Update	17/05/2021	Open
7	risks associated with loss of a significant supplier (non-IT)	Contract Management-Credit Checking- Supply Chain Assessment--Business Continuity plan(s)-emergency procurement London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. 12 April 2021 Mazars led Social Care workshop (risks); update on Care Providers Contingency Planning Arrangements	Head of Procurement and Contracts	Medium residual risk AMBER	Keep risk under review Updated to reflect relationship to London Planning	17/05/2021	Open
8	risks associated with loss of Utilities (Power, Gas, Water)	Contract Management- Supply Chain Assessment--Business Continuity plan(s)-emergency procurement-Emergency Plan London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment, (refer to the chapters on, Major accidents and Malicious attacks).	Assistant Director of Operations The Economy Department	Medium residual risk AMBER	Keep risk under review Updated to reflect relationship to London Planning	10/12/2020	Open
9	risks associated with total loss of use of a building, office or workplace. (Fire, flood, collapse, cordon, social disorder or protest)	Asset management-Business Continuity Plan(s), Emergency Plan London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment, (refer to the chapters on Environmental hazards, Major accidents and Malicious attacks).	Assistant Director of Operations The Economy Department	Medium residual risk AMBER	Keep risk under review Updated to reflect relationship to London Planning and National Risk Register	22/01/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
10	risks associated with ensuring completion of a successful election.	Elections Team-Elections Project Team-Business Continuity Planning. 21 September 2020 - Review of Canvassing. Technical Assurance Group and Head of Service. Conclusion that canvassing in the current scenario, increasing rates of infection, second wave, was not approved. Should the position change then the situation could be reviewed. 25 September 2020 Recovery Board supported the decision not to support door to door canvassing at this time. 21 January 2021 notice of election project team planning sessions, commencing in February 2021. 22 February 2021 polling stations risk assessments conducted by an independent provider, review to be scheduled at Technical Assessment Group. Electoral commissions own risk assessment. 14 May 2021 Update to Resilience Group from the Head of Electoral Services that the Election was carried out without issue and delivered in a Covid safe environment.	Head of Electoral Services	Low residual risk GREEN	Keep risk under review	17/05/2021	Closed
11	risks associated with failure of a strategic partnership (IBC, Pensions Admin.)	Partnership governance and appointments-Performance reviews-Business Continuity Plan(s) Reincorporation of Family Support to an in-house service completed 01 April 2021. Pensions Committee and Pension Board reviews of Pension Taskforce Project. Administration Management performance reporting (to Pension Sub-Committee); Annual Report - Pension Fund Accounts, Independent review.	Strategic Leadership Team	Medium residual risk AMBER	Keep risk under review	17/05/2021	Open
12	risks associated with failure of a banking or payment system	Performance reviews-Business Continuity Plan(s)-Use of Procurement Cards-repeat last payments run London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. .	Director of Finance	Low residual risk GREEN	Keep risk under review Updated to reflect relationship to London Planning	10/12/2020	Open
13	risks associated with the running of the mortuary service on behalf of other London Boroughs	Performance reviews-Business Continuity Plan(s)-Designated Disaster Mortuary Plan 15 September 2020 Outbreak plan walkthrough with Head of Service 10 December 2020 Covid-19 Board review of Mortuary spaces indicates that there are no significant matters. 21 December 2020 Westminster continue to track the case levels and deaths across Greater London, and factor them into mortality management planning 21 January 2021 position reviewed at Covid-19 Board, mortuary place demands have increased but extra capacity has been factored into the mortality management planning for Greater London. 22 February 2021 Capacity monitoring report (Dashboard) at Covid-19 Board. 11 March 2021 Capacity monitoring report at Covid-19 Board. 24 March 2021 Capacity monitoring report at Covid-19 Board.	Director of Resources	Low residual risk GREEN	Keep risk under review	29/03/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
1	risks associated with Brexit and the impact on supplies, food, power and workforce.	Brexit Planning-Brexit Briefings-Communications-Status application support-Business Continuity Plans London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. London Chief Executives have asked Chief Executive of LB's Richmond and Wandsworth, to lead this work. 02 December 2020 Discussed at SLT - DMT's briefings on issues noted by London Resilience - 11 December 2020 Finance (Resources via e-mail); Environment 15 December 2020; Social Care 16 December 2020 21 December 2020 PM (Lead Chief Executive) joined the SR CEs meeting yesterday as Brexit GOLD and updated the position on current risks and mitigations. The PM noted that many of the issues are from the end of the transition period (whatever the outcome of government negotiations) will not be cliff-edge ones, but rather grow steadily over time.	Director of Finance	Low residual risk GREEN	Keep risk under review	17/05/2021	Open
2	risks associated with Covid 19 and the impact on supplies, food, power, employment and Public Health	Covid Response and Recovery Planning - Outbreak Plans - Business Continuity Plans - Standing Operating Procedures London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. Winter Programme - Food Planning. 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment, (refer to the chapter on Human and Animal health, Case Study). 21 January 2021 Director of Public Health held a special session recently exploring how we are using English language learning apps, working with Somali parents about childhood vaccinations and COVID-19 vaccines, and getting people from under-served groups into careers and jobs, all in an effort to tackle disproportionality in COVID-19. The BAME Inequalities Working Group aims to meaningfully address health inequalities in H&F by implementing the recommendations set out in Beyond the data: Understanding the impact of COVID-19 on BAME Groups. Improvements to address health inequalities can be made across all areas of public life so we want to encourage people from a variety of different disciplines to get involved. February - May 2021 CAN and Shield update reports to Resilience Group on use of foodbanks, welfare needs, referrals to mutual aid groups and monitoring of workforce resilience. February - April 2021 Winter food vouchers provision decisions as part of the Covid support grant at Contract Assurance Board.	Strategic Leadership Team	Low residual risk GREEN	Keep risk under review *likelihood decreased due to reduction in transmission rates.	17/05/2021	Open
3	risks associated with Terrorism or Hostile Vehicle attack in the local area	CCTV-Street Design and Planning-Situational awareness and liaison with the Police London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. 02 November 2020 National Counter Terrorism Office Guidance - Threat levels and building response plans 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment, (refer to the chapter on Malicious attacks).	Community Safety Manager	High residual risk RED	Keep risk under review Updated to reflect relationship to London Planning and National Risk Register	22/01/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
4	risks associated with Fire	CCTV-Fire Safety Measures-Property Design and Planning-LFB-Capital Works e.g. Installation of fire safety doors; Sprinkler Systems at Edward Woods Estate/Drake/Shackleton Courts London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment, (refer to the chapter on Major accidents).	Community Safety Manager	Low residual risk GREEN	Keep risk under review Updated to reflect relationship to London Planning and National Risk Register	22/01/2021	Open
5	risks associated with Climate Change (heat, flood, cold, wind)	Declaration of a Climate Change Emergency-Residents Commission-Air Quality Monitoring-Traffic controls and Initiatives-SuDs LBHF Residents led Climate and Ecological Emergency Commission and declaration of a climate emergency on 17 July 2019. London Resilience Planning / London Risk Advisory Group / National Security Risk Assessment / London Risk Register / London Risk Planning Assumptions. Support of London Recycles Repair Week offer on Laptop Fault and Fix Repair Service at 20% discount; Broken Furniture 11 January 2021 HM Government National Risk Register based on the National Security Risk Assessment ,(refer to the chapter on Environmental Hazards). 21 January 2021 Development of a refreshed Housing Strategy and linked strategies eg. Homelessness and Rough Sleeping. 04 May 2021 Cabinet review of the Climate and Ecological Emergency Commission recommendations 18 May 2021 The Climate Unit has developed a toolkit to help officers think about how their projects, procurements, commissioning, and services can align with H&F's net zero carbon target and sixth council value of rising to the challenge of the climate and ecological emergency. Lunch and Learn sessions May -June.	Climate Strategy Lead	Medium residual risk AMBER	Keep risk under review Updated to reflect recommendations of the Climate and Ecological Emergency Commission report and introduction of a toolkit.	17/05/2021	Open
6	risks associated with a surge in numbers exiting Hong Kong due to the political regime. There are 5.5 million residents that will be eligible for BNO status. MHCLG expect 200,000 people to arrive in first 12 months (Feb 2021 – Jan 2022) as part of a managed economic migration. Under a surge migration scenario, up to	MHCLG - more detailed planning assumptions expected to follow shortly * advised by CE Merton. People will not be required to quarantine when arriving in the UK (this is subject to change as intelligence indicates an increase in cases in Hong Kong similar to the UK which could change travel restrictions). A new sub-group of the SCG is being set up by FT and will meet to consider the implications for London. 07 January 2021 Update from MHCLG to Director of Covid and Strategic Director for the Economy.	Strategic Leadership Team	Medium residual risk AMBER	Keep risk under review Updated to reflect relationship to London Planning	22/01/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
	40,000 people could arrive per month, with two weeks' notice of this influx.						
7	risks associated with a block at the UK Ports and impacts to supplies including food and perishables.	HM Government and Kent CC contingency planning	Cabinet Office and HM Government Departments	Low residual risk GREEN	Keep risk under review Updated to reflect relationship to London and Kent CC Contingency Planning * Likelihood diminished following initial closing and re-opening of ports.	17/04/2021	Closed

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
1	risks associated with the management of corporate health and safety	Health and Safety Policy; Corporate Safety Team; Health and Safety Board; Operational Risk Register; Health and Safety Team Audit work; Individual Policies; Training; Reporting; Annual report to Audit and Pensions Committee; April 2021 AssessNet Incident Reporting Software introduced as a Sovereign Council system. 05 May 2021 Strategic Leadership Team Assurance - Update	Head of Corporate Safety	Medium residual risk AMBER	Keep risk under review	17/05/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Issue Primary Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
1	Budget pressure on H&F may result in reduction in staff budget affecting our ability to deliver operational and project services.	Operational efficiencies have been through contract renegotiations to protect core budget.	Chief Digital Officer	High residual risk RED	Keep issue under review	21/01/2021	Open
2	Loss of data or assets due to leavers process not being joined up. There is a risk that Leavers could still access information, laptops or phones resulting in data breaches or additional costs to the Council for the replacement of devices.	Inactive accounts are disabled after 60 days. P&T have agreed to IBC project which will interface into Pertemps system for agency staff. This will provide visibility of the whole workforce through IBC Once mitigation for Pertemps in place a process will be developed to have kit returned as part of leavers process.	Head of Service Management and Contracts and Operations	High residual risk RED	Keep issue under review	21/01/2021	Open
3	Budget risk to Digital services due to increasing demand for laptops & phones for Covid mitigation; and budget may not come through from central government	AD approval for new laptops for new posts New kit related to Covid is captured separately and Corporate budget available Being contained within existing revenue budgets - will escalate to SLT if this changes	Chief Digital Officer	Low residual risk GREEN	Keep issue under review	21/01/2021	Open
4	Risk of a successful malware/ransomware attack leading to business units being unable to deliver services	Corporate laptops run Microsoft Defender AV to protect against known malware. Corporate laptops implement application whitelisting, so malware executables should be prevented from running. User web-browsing is filtered when connected to AoVPN to prevent users reaching known risky websites (although not when the user is not connected to AoVPN) Work with BT to produce a playbook for DR server restores, and add this to H&F's IT DR plan. Finish the implementation of the application patching (AP) process Update 21/1: Complete. Document process for reviewing admin permissions for the H&F AD domain and O365 tenancy Roll-out of refresher IS training. Update 21/1: email alerts sent Implement Azure Sentinel for H&F domain controllers to improve event logging Implement a documented security patching process. Update 21/1: complete Simulated phishing exercise to test users to increase ability to detect and react to phishing attempts. Update: to be raised as change request at CAB	Head of Information & DPO	Medium residual risk AMBER	Keep issue under review	21/01/2021	Open
5	Business service continuity plans have not addressed lack of IT systems over extended periods leading to impact on service delivery	Local business continuity arrangements are likely to have developed; but unlikely to be robust enough to cope with significant outage Business areas service continuity plans to be reviewed with the service areas and SRG with support of Digital Services	Chief Digital Officer	High residual risk RED	Keep issue under review	21/01/2021	Open
6	Impact on Digital Services budget due to inflation rising and kit and services becoming more expensive	Governmental controls to minimize inflation Continue to make operational service as efficient as possible to minimize budget impact	Chief Digital Officer	High residual risk RED	Keep issue under review	21/01/2021	Open
7	Risk of noncompliance with UK GDPR in relation to transfers from the UK to the US, which are restricted following Schrems II decision making previous transfer arrangements reliant on	New Standard Contractual Clauses to be adopted - 12 months to update to new clauses where existing agreements are in place.	Head of Information & DPO	Medium residual risk AMBER	Keep issue under review	21/01/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Issue Primary Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
	'Privacy Shield' agreements invalid.						
8	Change Management - If there is insufficient co-ordination on potential changes to shared applications by depts.; There is a risk that a change may impact negatively on other services and departments	Regular review of current and planned projects by services with the Strategic Relationship Managers.; Regular internal DS Pipeline reviews. Pipeline review at regular ITOG meetings.; The TDA (Technical Design Authority) has a view of dependencies across all systems.	Head of Project Delivery	Low residual risk GREEN	Keep issue under review	21/01/2021	Open
9	Non-compliance with information rights requests due to lack of availability of records and poor data quality leading to poor business decisions.	Indexing of boxes held within ORSS Update IM Codes of Practice on Data Quality Indexing project for 7,000 boxes Initiatives to improve data quality	Head of Information & DPO	Low residual risk GREEN	Keep issue under review	21/01/2021	Open
10	If the Digital and information strategy isn't formally approved, due to a lack of incorporating Co-production, we risk the strategy not being perceived as legitimate, contributing to the current difficulties in priority setting in the context of scarce resources at the council	Resident panel to be recruited jointly with the REAP programme - recruitment for co-ordinator to lead on this is ongoing Ensure resident input into the Digital and information strategy is prioritised once the panel has been recruited	Chief Digital Officer	Low residual risk GREEN	Keep issue under review	21/01/2021	Open
11	Transfers of personal data to the UK will be restricted if the UK is not given an adequacy decision from the European Commission.	Review of data sites in EU A number of suppliers have on-shored , minimal DP interruption anticipated at present. Transfer restrictions delayed as part of UK/EU trade deal	Head of Information & DPO	Low residual risk GREEN	Keep issue under review	21/01/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
1	risks associated with Pensions Administration and managing the relationship with RBKC and Surrey CC	Pension Fund Taskforce, Independent Pensions Consultant support, Legal advice, Senior Responsible Officer appointed, Workstreams. Project Plan and timescales. Progress reviews at Pensions Sub Committee. Exit strategy and transition plan. 08 December 2020 - Pensions Taskforce, notice to terminate current contract with Surrey CC issued and accepted. Evaluation of data quality improvement procurement and award near completion. Sovereign team appointments, Pensions Manager has started, supporting Officers commencing December 20 and January 21. 12 January 2021 Evaluation of partnerships commenced, and conclusions report being prepared for the Taskforce, Chief Executive and Audit and Pensions Sub-committee. 22 February 2021 Exit strategy planning and discussions with Surrey CC and Onboarding planning with new providers LPPA. Issues and updates provided periodically to the Pensions Sub-committee and Pensions Board. 05 May 2021 Strategic Leadership Team Assurance - update on progress of the Taskforce: Briefing note and copy of the Risk Actions Issues and Decision Log (RAID) to the Leader's Office, Cabinet Member for Public Services Reform. - Data Quality work with a Pensions Tracing Company underway, Sovereign Council retained service delivered, Fees agreed for current provider, Exit Planning, Project Planning and reporting	Director of Audit, Risk, Fraud and Insurances	Low residual risk GREEN	Keep risk under review	17/05/2021	Open
2	risks associated with management of the IBC partnership with Hants CC	Partner Relationship Manager key point of contact; Monthly HR and finance strategic meetings with Relationship Manager; IBC finance and HR leads(Director of Finance, Chief Accountant, Finance Systems Manager and Head of Transformation, Talent and Inclusion); formal/ documented quarterly Hammersmith & Fulham Operational Performance Group meetings; performance reporting; Two way challenge; H&F feedback and challenge IBC performance and H&F equally monitored and challenged on compliance with the partnership model – agreed recommendations and action plans. Bi-annual operational Forum.	Director of Finance, Director of Resources	Low residual risk GREEN	Keep risk under review	27/08/2020	Open
3	risks associated with Pan London mortuary, preparation and management for Covid-19 waves.	Inter-local authority agreement; decision report to authorise agreement; management and control of financial contribution to the cost of the provision is the responsibility of the London Borough of Camden, a finance cell will overview; Westminster City Council to continue stewardship of mortuary management. 10 December 2020 Mortuary Capacity reviewed by the Covid-19 Board as adequate. 11 March 2021 Mortuary Capacity reviewed by the Covid-19 Board	Director of Resources	Low residual risk GREEN	Keep risk under review	27/05/2021	Open
4	risks associated with management of the Civic Accommodation Programme and A2Dominion Joint Venture	Members Civic Campus Oversight Board; Civic Campus Programme Management Office; Joint Venture Board; Executive Team; Project Delivery Team, 'Governance'; Reviews of progress at Finance, Commercial and Contracts Policy and Accountability Committee; Programme Board; highlight reporting; financial monitoring. 11 September 2020 Review of finance risks working group following recommendations to review at Finance, Commercial Revenue and Contracts PAC 23 July 2020. Cost consultants also reviewing individual risks. 15 September 2020 Civic Campus Programme Board meeting cited two risks associated with positioning of new infrastructure cabling to 45 Beavor Lane for the CCTV hub and lead-in time required by the contractor following placing the order to commencement of works. 05 October 2020 Update to Finance, Commercial and Contracts Policy and Accountability Committee summarising progress against budget, forecast, timescales and achievements. 03 December 2020 New London Architecture People's Choice Award for the new Civic Campus Plans. 09 December 2020 Civic Campus Programme Board review indicates the Programme has been successful in migrating CCTV and IT systems away from the Town Hall therefore de-risking these issues. Changes to Workstreams are being introduced to accommodate the	Programme Director	Low residual risk GREEN	Keep risk under review	17/05/2021	Open

Ref No.	There is a risk of..'	Existing Controls	Risk Owner	Residual Exposure	Risk monitoring	Date reviewed	Risk Status Open/Closed
		<p>next phase of the programme.</p> <p>12 January 2021 Civic Campus Programme Board review highlight report, review of Workstreams and discussions concerning Covid-19 and End of Eu transition impacts and assurances.</p> <p>22 February 2021 Civic Campus Programme Board review and re-profiling of risk log completed to reflect recently introduced Workstreams.</p> <p>13 April 2021 Civic Campus Programme Board - highlight report and review of workstream progress</p> <p>12 May 2021 Civic Campus Programme Board - highlight report and review of workstream progress</p>					
5	risks associated with Family Services Provision	<p>Monthly Strategic Planning meetings with Family Services, Education & SEND; Attend Youth Crime Prevention Partnership; LA Representatives on FSS Board; Joint case work allocation meetings</p> <p>Early Years working group; Youth offending review meetings; Part of CHS practice and review audits; Joint work: education attendance & COVID response;</p> <p>Fortnightly Meetings; Sharing of forward plan and business plan; Monthly board meetings packs; Data sharing arrangements; Annual audit</p> <p>April - May 2021 Weekly project reviews RAID Log and closure; orderly novation of contracts; audit of company before making dormant.</p>	Assistant Director of Children's Commissioning	Low residual risk GREEN	Keep risk under review * likelihood reduced due to reincorporation as an in-house service and bedding in.	17/05/2021	Open
6	risks associated with Agency Provision (staffing resource)	<p>Designated contract manager, Assistant Director of Transformation, Talent and Inclusion; Regularity of performance reviews; Quarterly Scrutiny arrangements; Quarterly partnership meetings; Resources management board (monthly); PAC reviews (quarterly).</p> <p>05 May 2021 Strategic Leadership Team review of Agency Staffing included in the Performance Dashboard and continued to show a downward trend and reliance.</p>	Director of Resources	Low residual risk GREEN	Keep risk under review	17/05/2021	Open
7	risks associated with Treasury and Pensions Shared Service with WCC and RBKC	<p>S113 shared services arrangement with Royal Borough of Kensington and Chelsea and Westminster City Council hosted by Westminster;</p> <p>Shared service with shared management and administration with dedicated H&F pension fund manager and H&F treasury manager;</p> <p>Cost sharing agreement set out in S113 agreement;.</p> <p>Independent review completed in 2020 which concluded that outcomes were good and costs not out of line with other boroughs and recommended continuing shared service arrangement with some areas for development.</p> <p>24 February 2021 Pensions Fund report recommendations are being taken to Pensions Sub-Committee for discussion following review and approval of Officers.</p> <p>05 May 2021 Pension Administration updates, Strategic Leadership Team Assurance, Leader's Briefing note and Briefing note to the Cabinet Member Public Services Reform.</p> <p>LBHF have successfully decommissioned the Shared retained client service with the Royal Borough of Kensington and Chelsea and set up of the new sovereign Council retained service.</p>	Director of Finance	Low residual risk GREEN	Keep risk under review	17/05/2021	Open

National policy and key developments timeline.

Since the last update to Audit Committee, the government has taken several measures to respond to rapidly changing rates of infection across the country. This timeline does not detail every national development but covers some of the most significant. Full details of guidance and communications issued by the government can be found on the gov.uk website.

Date	Area
22 February 2021	<ul style="list-style-type: none"> HM Government announce a roadmap for ending coronavirus restrictions in England by June 21 with 4 key Steps and timescales commencing with re-opening of schools 8 March; Outdoor gatherings and grassroot sports on 29 March; Non-essential shops on 12 April, Household mixing on 17 May and Social Contract by 21 June 2021.
March 2021	<ul style="list-style-type: none"> The Chancellor announces a package of measures in the budget that include; <ul style="list-style-type: none"> an extension to the furlough scheme until the end of September 2021; a three-month extension to the business rates holiday until the end of June 2021; a three-month extension to the stamp duty holiday until the end of June 2021.
08 March 2021	<ul style="list-style-type: none"> Re-opening of schools
12 March 2021	<ul style="list-style-type: none"> Office of National Statistics suggests COVID-19 infections continue to fall across England
20 March 2021	<ul style="list-style-type: none"> It is reported that half of the UK's adult population have received the first dose of a COVID vaccine.
23 March 2021	<ul style="list-style-type: none"> The first anniversary and remembrance of the first lockdown.
25 March 2021	<ul style="list-style-type: none"> The UK Parliament agree to extend the emergency powers contained in the Coronavirus Act 2020 for a further six months.
29 March 2021	<ul style="list-style-type: none"> The Stay at Home order for England comes to an end. Two households or six people are once again permitted to meet outside. Re-opening of grassroot sports and outdoor gatherings are permitted.
5 April 2021	<ul style="list-style-type: none"> HM Government announces that access to two weekly Rapid Flow Tests will be made available for everyone in England. The Prime Minister confirmed the re-opening of pubs, restaurants, hairdressers, gyms and non-essential shops from 12 April.
7 April 2021	<ul style="list-style-type: none"> Rollout of the third approved vaccine commences in the UK.
12 April 2021	<ul style="list-style-type: none"> Re-opening of non-essential retail in England.
13 April 2021	<ul style="list-style-type: none"> Vaccinations for the 45-49 age group are made available through the NHS Website following HM Government's announcement that the top nine priority groups for vaccination had been offered their first COVID vaccine.
15 April 2021	<ul style="list-style-type: none"> NHS England indicate that 4.7 million people were waiting for routine operations or procedures while the NHS was responding to the pandemic.
16 April 2021	<ul style="list-style-type: none"> Concern is expressed following the identification of a potential number (77) of Variant of Concern cases in the UK. The Office of National Statistics indicate that COVID infections have fallen to levels similar to September 2020.
17 April 2021	<ul style="list-style-type: none"> The Duke of Edinburgh's funeral is held in Windsor.
21 April 2021	<ul style="list-style-type: none"> Following a number of cancelled music festivals organisers express concerns about those that remain and the Government's position on Insurance.
22 April 2021	<ul style="list-style-type: none"> NHS England indicates that 95% of people aged over 50 have taken up the offer of a vaccine. The Lord Chief Justice agrees funding from HM Government to enable courts to open whenever a judge is available. It is estimated that there is a backlog of some 58,000 Crown Court Cases in England and Wales.
28 April 2021	<ul style="list-style-type: none"> The Health Secretary confirms that the UK Ordered 60 million doses from suppliers to be used in the Autumn as booster jabs.
03 May 2021	<ul style="list-style-type: none"> The Prime Minister announces that some foreign travel will re-commence on 17 May 2021.
04 May 2021	<ul style="list-style-type: none"> The Association of Independent Festivals reports that music festivals may be cancelled due to a lack of Government backed insurance.
14 May 2021	<ul style="list-style-type: none"> The Prime Minister confirms the further relaxation of lockdown restrictions can proceed on 17 May 2021.
17 May 2021	<ul style="list-style-type: none"> Further easing of the lockdown restrictions enables pubs and restaurants to open and limited indoor household mixing, outdoor weddings can have up to 30 attendees, limits on attendances at funerals is removed but dependant on venue size.
19 May 2021	<ul style="list-style-type: none"> Surge testing and vaccination facilities are expanded in areas where Covid Variants of Concern have been identified.

Key pieces of Coronavirus Legislation:

Two key items of primary legislation contain emergency powers relating to coronavirus and health protection in England.

- Coronavirus Act 2020 (c. 7)
- Public Health (Control of Disease) Act 1984 (c. 22)

From 29th March 2021 the health protection restrictions in England are as set out in the following regulations:

The Health Protection (Coronavirus, Restrictions) (Steps) (England) Regulations 2021 (S.I. 2021/364)

These regulations set out the three Steps, or stages, for the gradual easing of restrictions, with different severity levels of restriction for each Step. The restrictions for Step 1 can be found in Schedule 1, Step 2 in Schedule 2, and Step 3 in Schedule 3. Schedule 4 of the regulations lists the areas of England which are under each Step, and this list will be amended as areas move from one Step to another. The regulations also impose restrictions on travel outside of the United Kingdom.

- The Health Protection (Coronavirus, Restrictions) (No. 3) (England) Regulations 2020 (S.I. 2020/750)
- The Health Protection (Coronavirus, Wearing of Face Coverings in a Relevant Place) (England) Regulations 2020 (S.I. 2020/791)
- The Health Protection (Coronavirus, Collection of Contact Details etc. and Related Requirements) Regulations 2020 (S.I. 2020/1005)
- The Health Protection (Coronavirus, Restrictions) (Self-Isolation) (England) Regulations 2020 (S.I. 2020/1045)
- The Health Protection (Coronavirus, Restrictions) (Local Authority Enforcement Powers) (England) Regulations 2020 (S.I. 2020/1375)
- The Health Protection (Coronavirus, International Travel and Operator Liability) (England) Regulations 2021 (S.I. 2021/582)

Impact

(of the reasonable worst case scenario using the impact indicators below)

Level E			7 25 [†]		
Level D	34*		12 13 29		
Level C		18 28 33* 36*	14 19 21 26 [†] 27* 38	2 3 6* 15 16 17 20	
Level B	30	24	35*	4 5 9* 10* 11* 23 32* 37	1
Level A			8* 22	31	
	< 1 in 500	1 to 5 in 500	5 to 25 in 500	25 to 125 in 500	> 125 in 500

Likelihood

(of the reasonable worst case scenario of the risk occurring in the next year)

*Risk not plotted in the 2017 NRR | [†]COVID-19 is not included in the risk matrix and is therefore not included in these risks

Malicious Attacks

1. Attacks on publicly accessible locations
2. Attacks on infrastructure
3. Attacks on transport
4. Cyber attacks
5. Smaller scale CBRN attacks
6. Medium scale CBRN attacks
7. Larger scale CBRN attacks
8. Undermining the democratic process*

Serious and Organised Crime

9. Serious and organised crime – vulnerabilities*
10. Serious and organised crime – prosperity*
11. Serious and organised crime – commodities*

Environmental Hazards

12. Coastal flooding
13. River flooding
14. Surface water flooding
15. Storms
16. Low temperatures
17. Heatwaves
18. Droughts
19. Severe space weather
20. Volcanic eruptions
21. Poor air quality
22. Earthquakes
23. Environmental disasters overseas
24. Wildfires

Human and Animal Health

25. Pandemics[†]
26. High consequence infectious disease outbreaks[†]
27. Antimicrobial resistance*
28. Animal diseases

Major Accidents

29. Widespread electricity failures
30. Major transport accidents
31. System failures
32. Commercial failures*
33. Systematic financial crisis*
34. Industrial accidents – nuclear*
35. Industrial accidents - non nuclear*
36. Major fires*

Societal Risks

37. Industrial action
38. Widespread public disorder

Page 56	Impact	5	R64 Large Toxic Chemical Release		R76 National Electricity Transmission, T7 Larger scale CBRN Attacks	R95 Influenza-type Pandemic	
		4	R71 Aviation Crash, R55 Fire or Explosion at a fuel distribution site, R57 Explosion at a high pressure gas pipeline, R74 Reservoir/Dam Collapse, R66 Radiation Release from overseas	R77 Gas Supply Infrastructure, R68 High Consequence Dangerous Goods, HL105 Complex Built Environments	R83 Surface Water Flooding, R87 Volcanic Eruption, R92 Severe Space Weather, L21 Fluvial Flooding, R84 Severe Drought		
		3	HL23 Bridge Collapse, HL34 Evacuation of passenger ship, HL22 Building Collapse, R75 Water Supply Infrastructure	R69 Food Supply Contamination, HL7 Industrial Explosion and Major Fires, R80 Systemic Financial Crisis, R11 Malicious maritime incident	R91 Low temperatures and heavy Snow, R54 Major Fire, R96 Growth of Anti-Microbial resistance, R97 Emerging Infectious Disease, R85 Poor Air Quality, L19 Groundwater Flooding, HL19 Coastal/Tidal Flooding	R90 Heatwave, T2 Attacks on Infrastructure, T3 Attacks on Transport, T6 Medium scale CBRN Attacks	R104 Public Disorder
		2	R67 Maritime Pollution, R62 Accidental Release of Biological Pathogen, R103 Insolvency affecting fuel supply	R78 Disruption to telecoms systems, HL33 Wildfires, HL11 Railway Accident, R98 Animal Disease, R102 Industrial Action (fuel)	R93 Storms and Gales, H35 Industrial Action (public transport), HL21 Land Movement, HL3 Localised industrial accident involving small toxic release, R101 Industrial action public transport	R105 Influx of British Nationals, R63 Accidental Release of a Biological Substance, HL10 Local Accident on Motorways/ Major Trunk Roads, R72 Collapse of major government contractor, R73 Major Social care Provider, R79 Technological failure at a retail bank, R100 Industrial action (police officers), T4 Cyber attacks, T5 Smaller scale CBRN Attacks	R99 Industrial Action (firefighters), T1 Attacks on Publically Accessible Locations
		1	R70 Radiation exposure from stolen goods, HL9b Small Aircraft Incident, R94 Earthquake		R43 Undermining democratic activity		
		1 - Low	2 - Medium/Low	3 - Medium	4 - Medium/High	5 - High	
		Likelihood					

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 22/06/2021

Subject: Corporate Anti-Fraud Service Annual Report – 1 April 2020 to 31 March 2021

Report of: David Hughes, Director for Audit, Fraud, Risk and Insurance

Responsible Director: Director for Audit, Fraud, Risk and Insurance

Summary

The Council takes its responsibilities to protect the public purse very seriously and is committed to protecting the public funds that it administers. This report provides an account of fraud-related activity carried out during the past year to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

Work is undertaken by the Corporate Anti-Fraud Service (CAFS). They provide a complete, professional counter fraud and investigation service for fraud attempted or committed against the Council and reinforces the Council's commitment to preventing, detecting and deterring fraud and corruption.

For the period 1 April 2020 to 31 March 2021, CAFS identified 95 positive outcomes. Fraud identified has a notational value of over £750,000.

Recommendation

For the Committee to note and comment on the report.

Wards Affected: None

H&F Values

Please state how the subject of the report relates to our values – delete those values which are not appropriate.

Our Values	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	CAFS supports the Council in its statutory obligation under Section 151 of the Local Government Act 1972 to protect public funds and have an effective system of prevention and detection of fraud and corruption. Where financial loss has been identified due to fraud, we will always seek to recover this loss either through the civil or criminal process.

Contact Officer(s):

Name: Andy Hyatt
Position: Head of Fraud
Telephone: 020 7361 2777
Email: andy.hyatt@lbhf.gov.uk

Background Papers Used in Preparing This Report

None

INTRODUCTION

- 1.1. This report provides an account of fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2020 to 31 March 2021 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.
- 1.2. CAFS remains a shared service providing the Council with a complete, professional counter-fraud and investigation service for fraud attempted or committed against the Authority.
- 1.3. All CAFS work is conducted within the appropriate legislation and through the powers and responsibilities as set out within the financial regulations section of the Council's constitution. CAFS ensures the Council fulfils its statutory obligation under the Local Government Act 1972 to protect public funds and have an effective system of prevention and detection of fraud and corruption.
- 1.4. The report also details activity and performance against the Council's Anti-Fraud and Corruption Strategy to assess its effectiveness, highlights some of the current and emerging areas of fraud risk, including those related to the COVID-19 pandemic, and provides an overview of the Council's arrangements to minimise the risk of fraud.
- 1.5. During the financial year 2020/21, CAFS investigated 426 cases, including 289 new referrals, and concluded 165 investigations. A conclusion ranges from a successful prosecution, through prevention activity, to action that deters fraud or no further action where there is no case to answer.
- 1.6. The table below shows this activity and details the fraud types.

Activity	Cases	Fraud types	Closed	Live
Live cases as at 01/04/20	137	Tenancy & Housing cases	77	212
New referrals received	289	Internal Staff	5	4
Closed investigations (Positive outcome 93)	165	High/Medium risk fraud	63	14
		Low-risk fraud	20	22
Live cases as at 01/04/21	261	POCA	0	9

- 1.7. For the period 1 April 2020 to 31 March 2021, CAFS identified 93 positive outcomes. The fraud identified as a notational value of over £750,000 and is detailed in the following table.

Activity	2019/20		2020/21	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing Fraud	6	3,000	4	6,560
Right to Buy	6	12,000	1	3,500
Advisory Reports (pro-active)	9	23,500	7	27,000
Prevention subtotal	21	38,500	12	37,060
Tenancy Fraud (Council and Registered Providers)	34	430,600	6	100,500
Internal Staff	10	64,000	11	38,500
Discretionary Business Grant (COVID Support)	n/a	n/a	46	460,000
High/Medium risk fraud (e.g. NNDR, Procurement, Blue Badge)	8	6,000	9	86,040
Low-risk fraud (e.g. Freedom passes, Council Tax SPD)	20	22,992	8	5,267
Detection subtotal	72	523,592	80	690,307
Fraud loss recoveries <i>[incl. Proceeds of Crime]</i>	10	197,695	1	25,000
Prosecutions	1	15,000	-	-
Deterrence subtotal	11	212,695	1	25,000
Total	104	774,787	93	752,367

WHISTLEBLOWING

- 2.1 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern.
- 2.2 Since April 2020, CAFS received just one new referral, which was closed following a fact-finding investigation that could not corroborate the allegation's content.

Allegation	Outcome	Case status
2019/20		
i. Codes of conduct and conflict of interest	The fact-finding investigation found no evidence to substantiate the allegation.	Closed

ANTI-FRAUD AND CORRUPTION STRATEGY

- 3.1 The Council's Anti-Fraud & Corruption Strategy 2020-2023 is based on five key themes: GOVERN, ACKNOWLEDGE, PREVENT, PURSUE and PROTECT.

- 3.2 The Strategy is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds. It contains an action plan to provide management with a tool to ensure progress and transparency regarding counter-fraud activities.
- 3.3 The table in **Appendix 1** details CAFS counter-fraud activities against strategic objectives of the Council's Anti-Fraud and Corruption Strategy. It demonstrates how the work of CAFS aligns with the Strategy and contributes to the Council's fraud resilience.

i) GOVERN

A robust framework of procedures and policies

- 4.1 Minimising any losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purposes for which they are intended and ensuring we remain ruthlessly financially efficient.
- 4.2 Staff are often the first to spot possible cases of wrongdoing at an early stage and are therefore encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination. Any concerns raised will be treated in the strictest confidence and will be appropriately investigated.
- 4.3 Therefore, anti-fraud policies must be kept up to date to support and guide Council staff, ensuring compliance with laws and regulations, guiding decision-making, and streamlining internal processes. As such, anti-fraud policies are regularly reviewed, revised and presented to the Audit and Pension Committee for annual review and approval.

ii) ACKNOWLEDGE

Committing support and resource to tackle fraud

- 4.4 A vital element of a counter-fraud strategy is the ability of an organisation to call upon competent, professionally trained officers to investigate suspected fraud. Through the resourcing and support for CAFS, the Council demonstrates it is committed to tackling fraud.
- 4.5 During the year CAFS successfully applied for membership to the Government Counter Fraud Profession (GCFP). LBHF was one of only 24 councils (12 from London) to attain membership to GCFP successfully.
- 4.6 Although this is a Central Government initiative led by Cabinet Office, LBHF was involved in the profession's development. Through engagement and consultation, we helped shape local authority fraud standards and contributed to the design of the investigator competencies, ensuring they were suitable for local authorities investigators.

- 4.7 The collective membership process included evidencing counter-fraud policy and procedures, staff competencies, suitable methods to review and assess staff training, and a commitment to personal development. The final stage of the process was a peer review by colleagues from the London Borough of Brent, who gave CAFS a top score across all aspects.
- 4.8 CAFS undertook a procurement and installation process for a case management system. The process identified a suitable system through the Government Digital Marketplace. CAFS found it to have improved functionality and, per our values of being ruthlessly financially efficient, a small financial saving of £4,000 per annum.
- 4.9 The system has been installed, legacy data transferred and integrated. All members of the service have positively received it.

iii) PREVENT

- 4.10 In addition to the specialist investigative role, CAFS continue to provide advice and support across the organisation, including the Council's partners and contractors.
- 4.11 This type of advice and support is essential during emergencies such as a pandemic when the fraud threat is higher than at other times for some services. For example, the Business Rates Team and the Business and Enterprise Team processing COVID Business Grants.

COVID-19 Counter Fraud Work

- 4.12 Throughout, CAFS has been available to support services impacted by COVID-19, especially at the design stage of new policy and procedures linked to the distribution of funding, services or supplies.
- 4.13 During the start of the lockdown, the Council needed to redeploy staff to assist with other work areas. In some instances, this meant providing redeployed staff with access to confidential systems they would not usually use—for example, the highly sensitive DWP Searchlight system. Access was needed for use by officers redeployed to the Registrars Service.
- 4.14 CAFS assessed the risk and advised that those redeployed would need to understand their responsibilities, including the strict rules they must adhere to when using Searchlight. To support this, CAFS redesigned a Confidentiality Agreement document to meet the specific legislative user requirements for the redeployed officers and provide management with the assurance that the new users understood their responsibilities.
- 4.15 CAFS has also provided investigative support throughout the pandemic to check the eligibility of applications for the Local Authority Discretionary Grants Fund. The fund aimed to support small and micro businesses that were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund. Grants were

capped at £25,000, although depending upon the business, smaller grants could be administered.

- 4.16 Investigators worked closely with the Business and Enterprise Team to conduct preliminary checks where the team had raised concerns regarding applications and verify the details provided by the businesses applying.
- 4.17 The Business and Enterprise Team referred irregular business grant applications to CAFS. Following pre-payment investigations, 46 were refused as ineligible.
- 4.18 Some examples for refusing applications include;
- Business not having a significant drop in income - In one example, the CAFS investigation found the business accounts were not up to date or available to verify financial standings despite the application claiming a significant loss since lockdown.
 - False application – an application submitted from someone claiming to be the director of a local business. Checks revealed the person named had resigned from the company in 2016, and now someone had used their name to try to submit a false grant application.
 - Business exceeded the rateable value limit (£61,000 per annum) – one investigation revealed the monthly rent on the business premise was far more than the criteria limit.

Corporate Investigations

- 4.19 Corporate investigations cover a wide range of different counter-fraud activities, including, but not limited to, financial investigations, complex third-party fraud investigations, contractor or employee fraud, or actions and activities that contribute towards a practical assurance framework.
- 4.20 Since 1 April 2020, corporate investigation work has included:
- Many complaints regarding a local shop raised concerns, and CAFS undertook a fact-finding investigation to identify whether they were committing any serious types of fraud against the Council. The study was negative and provided assurances that no serious fraud was being perpetrated.
 - A successful investigation into the misuse of a personal care budget identified wrongful payment and significant overpayment.
 - A staff member was found to have misused their position to apply for information from another council they were not entitled to. The Council shared no communication with the officer. Following an investigation, the employee had breached the Codes of Conduct and was dismissed.

Housing/Tenancy Fraud

- 4.21 CAFS provides an investigative service to all aspects of housing, including requests for the succession or assignment of tenancies, allegations of subletting or other forms of tenancy breaches, as well as right to buys.
- 4.22 Achievements in this service area have been disrupted by the pandemic, where changes to legislation, per the Coronavirus Act 2020, and social distancing restrictions have affected the number of fraud recoveries CAFS can achieve.
- 4.23 Even with such disruption, between 1 April 2020 to 31 March 2021, CAFS managed to recover six tenancies and stop two fraudulent succession applications. One right to buy application was stopped during the same period, although applications have significantly reduced throughout the pandemic.
- 4.24 Properties recovered included three-bedroom properties, which are in high demand by families needing support and assistance. Full details of successful investigation activity regarding social housing are detailed in the table below.

Location	Postcode	Ward	Size (bedrooms)	Reason for recovery	Outcome
Ancill Close	W6	Fulham Reach	3	Succession	Property surrendered
Farm Lane	SW6	Fulham Broadway	1	Non-residency	Property surrendered
Linden Court	W12	Shepherd's Bush Green	2	Succession	Property surrendered
Norland House	W11	Shepherd's Bush Green	1	Subletting	Property surrendered
Bearcroft House	SW6	Town	1	Non-residency	Property surrendered
Bentworth Road	W12	College Park and Old Oak	3	Subletting	Court possession

Schools

- 4.25 CAFS provided support to School Administration, assisting them with verifying family residency concerning the school admissions process. The Council undertakes to carry out the address verification process per its admissions policy.
- 4.26 For secondary applications, 66 cases were referred to CAFS, where there were doubts over residency. The initial sift included the interrogation of Council datasets to verify residency. Three cases were recommended as rejection due to non-residency at the declared address.
- 4.27 For reception applications, 37 cases were referred to CAFS, and only one case was recommended as rejection due to non-residency at the declared address.
- 4.28 In a separate matter, fraudsters tried to scam several schools across the borough using an unsolicited goods fraud demanding payments. A referral to CAFS stopped

the scam, and CAFS disseminated a subsequent intelligence alert to all schools across the borough to alert them to the threat.

Fraud awareness training

- 4.29 A bespoke course entitled Personal Budgets and Fraud Awareness was assigned to staff in the Social Care department via the Council's Learning Zone's Assignment. Total completions for 2020/21 was 32 who also passed the knowledge assessment with an average score of 92% against a pass mark of 70%.
- 4.30 The second bespoke course entitled Right to Buy and Fraud Awareness was made available to the Economy department staff. Individual users must complete the course as instructed to do so by their line manager, who directly assigns it to those officers dealing with the right to buy process. Five officers have completed the training and the knowledge assessment with an average score of 100%.
- 4.31 In response to an audit recommendation regarding fraud awareness, the Benefits Service undertook an online course which concluded with a knowledge assessment to evidence learning. The evaluation aims to measure how well a learner has understood the course content and also help learners gauge their knowledge and learning progress. A total of 43 officers completed the course and learning assessment, scoring an average of 87% against a 70% pass mark.

iv) PURSUE

- 4.32 Stopping fraud and corruption from happening in the first place must be our primary aim. However, those who keep on trying may still succeed. It is, therefore, essential that a robust enforcement response is available to pursue fraudsters and deter others.
- 4.33 Since April 2020, CAFS was involved in two significant recoveries.
- The first involved support for the finance department in securing the recovery of a significant pension overpayment. CAFS provided help, advice and initial engagement with the former employee prompting a repayment agreement.
 - The second was the clawback of a wrongfully claimed small business grant of £25,000. The business had received the payment, but following the post-checking process, it transpired, they were not eligible to the payment. CAFS intervened and recovered the amount in full.

v) PROTECT

- 4.34 This aspect of the Strategy covers counter-fraud activity to protect public funds, protect the Council from fraud, and protect itself from future scams.
- 4.35 CAFS remains an active member of the National Anti-Fraud Network (NAFN). NAFN disseminate national fraud alerts, which CAFS circulates to the appropriate

departments. CAFS also offers support and advice to ensure proper action is taken in response to the warnings and protect the Council from fraud.

- 4.36 There has been a significant increase in alerts detailing fraudsters targeting NNDR accounts details using COVID as a ruse to harvest data and make a false grant application. The warnings included an ever-increasing list of fake email domains used and this valuable intelligence-enabled IT to block several fraudulent email addresses before they could attempt to scam the Council.

List of Appendices:

Appendix 1 – Progress against the Anti-Fraud and Corruption Strategy 2020-2023.

Appendix 2 – Counter-fraud activity, including notable cases.

CONSULTATION

- 5.1 The report has been subject to consultation with the Strategic Leadership Team.

EQUALITY IMPLICATIONS

- 6.1 There are no equality implications arising from this report.

LEGAL IMPLICATIONS

- 7.1 The work of CAFS is governed by a range of legislation, including: the Police and Criminal Evidence Act, the Criminal Procedures Investigation Act, the Regulation of Investigatory Powers Act, the Fraud Act, the Prevention of Social Housing Fraud Act and the Proceeds of Crime Act.

FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1 Resources required to deliver on the Council's counter-fraud strategy come from the budget allocated to the Corporate Anti-fraud Service. There are no additional resource implications arising from this report. Successful investigations and prosecutions can lead to the recovery of Council assets and money which are required to protect front line services.

RISK MANAGEMENT

- 9.1 The delivery of the counter-fraud strategy and associated policies contributes to the management of fraud risks faced by the Council, with proactive exercises supporting managers to put effective counter fraud and corruption controls in place in their systems and processes.

STRATEGIC OBJECTIVE	2020/21 ACTIVITY
GOVERN	
<p>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</p>	<p>The Council establishes and communicates the framework of procedures and policies. Details of counter-fraud activity have been reported to the Audit and Pensions Committee twice this year [15 September 2020 and 1 December 2020], detailing performance and action in line with the Anti-Fraud and Corruption Strategy. Reports contained details of assurance work, significant cases and the level of fraud loss.</p> <p>The organisation ensures that fraud control activities are thoroughly documented and implemented through policies and procedures. CAFS has continued to review and promote the Council's suite of anti-fraud related policies and procedures. This ensures they remain "fit for purpose" and incorporate any legislative or regulatory changes.</p> <ul style="list-style-type: none"> • Anti-Fraud and Corruption Strategy <i>[September 2020]</i> • Sanction Policy <i>[September 2020]</i> • Anti-Bribery Policy <i>[June 2021]</i> • Money Laundering Policy <i>[June 2021]</i> • Fraud Response Plan <i>[June 2021]</i> <p>These policies are presented to the Audit Committee for review and approval.</p> <p>A review of the service is planned in 2021/22 to provide objective feedback on the effectiveness, investigation, time scales and the Anti-fraud and Corruption Strategy.</p>
ACKNOWLEDGE	
<p>Accessing and understanding fraud risks: identify and assess the Council's fraud risk exposure, the changing patterns in fraud and corruption threats and the potential harmful consequences to the authority.</p>	<p>CAFS has continued to review new and emerging fraud risks, including those related to the COVID-19 pandemic.</p> <p>All counter-fraud activity undertaken during the year is used to inform the fraud risk register and scores. Information is collated from individual case outcomes and proactive operations, service reviews and risk assessments. (see Appendix 2 detailing 2020/21 pro-active operations).</p> <p>CAFS demonstrated significant flexibility and innovation to ensure that they provided substantial support to the Council's response to the pandemic. COVID business grants were assessed to be an emerging risk area, and CAFS provided robust pre-assurance checks for the various streams of government grant funding provided for distribution to local business and the various discretionary schemes where businesses had to apply to submit evidence of hardship to obtain a grant.</p>

	<p>During the start of the lockdown, the Council needed to redeploy staff to assist with other work areas. In some instances, this meant providing redeployed staff with access to confidential systems they would not usually use. CAFS assessed the risk and advised that those redeployed would need to understand their responsibilities, including the strict rules they must adhere to when using the DWP Searchlight system. To support this, CAFS redesigned a Confidentiality Agreement document to meet the specific legislative user requirements for the redeployed officers and provide management with the assurance that the new users understood their responsibilities.</p> <p>CAFS also disseminate alerts regarding known fraud or emerging risks. For example, fraudsters tried to scam several schools across the borough using an unsolicited goods fraud demanding payments. CAFS disseminated a subsequent intelligence report to all schools across the borough to alert them to the threat. Additionally, throughout the year, there was a significant increase in alerts detailing fraudsters targeting NNDR accounts details using COVID as a ruse to harvest data and make a false grant application. CAFS circulated these.</p> <p>CAFS have well-established measurement criteria to calculate the value of preventative measures and the benefits of action and activities designed to deter potential fraud. CAFS has a detailed set of notional fraud values underpinned by a comprehensive handbook showing how CAFS has been calculated the economic loss due to fraud in many different and diverse areas of the Council. The handbook is currently being used as the starting point for the work being undertaken by a national working group trying to agree on a countrywide set of fraud values.</p>
Committing the right support and tackling fraud and corruption.	<p>The organisation needs to ensure counter-fraud specialists have the right skills commensurate with the full range of counter fraud and corruption activity. CAFS officers have embraced personal development throughout the year utilising the Council's Learning Zone to enhance their skills and their competencies and specialist counter-fraud courses, including data protection, anti-bribery, whistleblowing, and employment investigations.</p> <p>LBHF became one of the first local authorities to become a full member of the Government's Counter Fraud Profession, bringing together individual and organisational counter-fraud learning from across the public sector. All investigators and support staff are now members, with managers to follow in 2021/22. The collective membership process included evidencing competencies, suitable processes to review and assess staff training, and a commitment to personal development. A peer review from colleagues at the London Borough of Brent gave CAFS a top score across all aspects.</p>
Demonstrating that it has a robust	CAFS will investigate allegations of fraud thoroughly and to the highest professional standards, where appropriate,

anti-fraud response	seek the full range of civil, criminal and disciplinary sanctions and seek redress where possible.
Communicating the risks to those charged with Governance	<p>During the financial year 2020/2021, CAFS investigated 426 cases, including 289 new referrals, and concluded 165 investigations. CAFS identified 93 positive outcomes. Fraud identified has a notational value of over £750,000.</p> <p>Details of counter-fraud activity have been reported to the Audit and Pensions Committee twice this year [15 September 2020 and 1 December 2020], detailing performance and action in line with the Anti-Fraud and Corruption Strategy. Reports contained details of assurance work, significant cases and the level of fraud loss.</p>
PREVENT	
Making the best use of information and technology	<p>CAFS continue to explore new technological methods of fraud prevention/detection and is currently working with Business Intelligence to create a single view search facility. The system will improve the triage process of new referrals by significantly reducing the time officers take to interrogate multiple datasets and increase efficiency.</p> <p>CAFS continue to participate in the National Fraud Initiative (NFI) data matching exercise conducted by the Cabinet Office to assist in the prevention and detection of fraud. Some 1,200 participating organisations from the public and private sectors, including government departments, provide data for the NFI. The NFI compares data sets electronically, such as the council tax or tenancy records, against other records held by the same or another body to see how far they match. The data matching allows potentially fraudulent claims and payments to be identified.</p> <p>During the year, CAFS undertook a procurement and installation process for a case management system. The process identified a suitable system through the Government Digital Marketplace. The new system was found to have improved functionality and, per the Council's values of "ruthlessly financially efficient", a small financial saving of £4,000 per annum.</p> <p>CAFS try to continually develop analytics that allows the Council to detect potentially fraudulent transactions quickly. In February 2021, CAFS used anomaly detection analytic techniques to covertly investigate a serious allegation of abuse of position by searching datasets for potential fraud. Anomaly detection analytics identifies rare items or events that raise suspicions by differing significantly from most of the data. Typically, the unusual transactions will lead investigators to a problem such as fraud or error. It enabled the officer to review over a years' worth of transactions quickly and efficiently. However, in this instance, they found no anomalies or evidence of fraud.</p>
Enhancing fraud controls and	CAFS assess new and emerging fraud risks that may appear following significant changes to the Council's

processes	<p>operating environment, such as in the wake of COVID19 restrictions and lockdown. Identify revised fraud control activities linked to these changes and assesses their effectiveness. For example, they were working with the Business and Enterprise Team to understand the risks associated with COVID Business Grants or the Benefits Service to ensure controlled usage of the DWP Searchlight system.</p> <p>Risk reviews have included rent account refunds, personal budgets and concierge time recording. In each instance, the studies included a fraud control assessment which considered a wide range of possible fraud schemes and risk exposure. A final report provides management with details of the findings, assesses the level of fraud risk and makes recommendations to the service, if appropriate, on control improvements.</p>
Developing a more effective anti-fraud culture	<p>CAFS continually refresh and promote the Council's suite of anti-fraud related policies and procedures, using training to enhance understanding.</p> <p>CAFS also design and deliver fraud awareness training, including bespoke courses. Bespoke courses help employees better connect the messages of the training to their daily responsibilities. This type of anti-fraud training also helps staff identify suspicious activity and feel empowered to act against potential fraud. Three departments/teams completed fraud awareness courses in 20/21, which concluded with a knowledge assessment to evidence learning. The evaluation aims to measure how well a learner has understood the course content and also help learners gauge their own knowledge and learning progress.</p>
Communicating its' activity and successes	<p>Details of counter-fraud activity have been reported to the Audit and Pensions Committee twice this year [15 September 2020 and 1 December 2020], detailing performance and activity in line with the Anti-Fraud and Corruption Strategy. Reports contained details of assurance work, significant cases and the level of fraud loss.</p> <p>CAFS continue to build its intranet presence with a new Sharepoint site (intranet), providing details about the service and showcasing anti-fraud policies.</p> <p>Where fraud reviews identify areas for improvement, CAFS produces outcome reports and service reviews for management, highlighting the action taken to enhance or improve fraud controls.</p>
PURSUE	

Prioritising fraud recovery and use of civil sanctions	The Council's Anti-Fraud and Corruption Strategy includes the Sanction Policy, which sets out the Council's aims and objectives concerning tackling fraud and corruption. It states that we will seek the strongest possible sanction against any individual or organisation that defraud or attempt to defraud the Authority.
Developing capability and capacity to punish offenders	CAFS also has an accredited Financial Investigator that enables the authority to recover funds via the Proceeds of Crime Act. CAFS ensures that all counter-fraud specialists have the right skills commensurate with the full range of counter fraud and corruption activity and can apply a full range of sanctions.
Collaborating across departmental, geographical and sectoral boundaries	CAFS has a memorandum of understanding (MoU) and protocols to facilitate joint working and to liaise proactively with organisations and agencies to assist in countering fraud, sharing resources, skills and learning, good practice and innovation, and information. In addition to the Council's data-sharing agreements with agencies such as the police or DWP. CAFS also have MoUs with UK Border Agency, HMRC and local Housing Associations. CAFS also became a full member of the Government's Counter Fraud Profession, bringing together individual and organisational counter-fraud learning from across the public sector. CAFS continue to actively maintain the authorities' membership of the National Anti-Fraud Network (NAFN) and the London Borough of Fraud Investigators Group (LBFIG). The Head of Service is an Executive Board Member of both NAFN and LBFIG, as well as the Vice-Chair of the Fighting Fraud and Corruption Locally Board, who author the national counter-fraud strategy for local authorities.
PROTECT	
Recognising the harm that fraud can cause in the community.	CAFS continue to work closely with housing associations operating across LBHF, and similar stakeholders, to help them prevent and detect fraud at the earliest opportunity. Working with housing associations has helped prevent and detect fraud in social housing, protecting affordable housing units for the community.
Protecting the Authority and its' residents from fraud.	

Source	Fraud Review	Details	Risk
Risk Review	<p>Economy: Temporary Accommodation Rent Refunds</p> <p>To maintain fraud resilience, the Corporate Anti-Fraud Service must be alert to new and emerging fraud risks.</p> <p>In this instance, details regarding an insider fraud at another local authority, where a member of staff diverted refunds to their own account, raised risk levels across all services where repayments are made.</p> <p>CAFS undertook a risk review of the refund process to ensure adequate anti-fraud controls were deployed and functioning correctly.</p> <p>Perceived fraud risks included:</p> <ul style="list-style-type: none"> False requests for refunds Insider fraud <p>CAFS analysed a data set consisting of quantitative and qualitative data to highlight any anomalies, patterns or unusual trends.</p> <p>Strategic objective(s) of activity: Accessing and understanding fraud risks; Enhancing fraud controls and processes</p>	<p>Methodology</p> <p>A Duplication Analysis Methodology was applied to identify the frequencies amongst the quantitative values in the data. With the key focus being to recognise any correlations between Sort Codes, Account Numbers and Refunds.</p> <p>The duplicate data set was then dissected from the original data set. The data range distribution was used to identify accounts that had received the highest values of Rent Refunds. This also included identifying recurring Sort Codes and Account Numbers.</p> <p>A further cluster analysis was then conducted to identify and interrogate all accounts which had been refunded any value over £1,000.00 and multiple refunds made to the same bank details.</p> <p>Findings</p> <p>The risk review testing found no anomalies or transactional concerns that might indicate fraud.</p> <p>Anti-Fraud Controls</p> <p>Both preventative and detective controls were present and effective to ensure refunds were paid correctly. For transparency and completeness, it was recommended that the department introduce a Rent Refund Policy.</p>	<p>Fraud risk register</p> <p>LOW = 3</p> <p>Impact = Very low 1 [Very low financial loss, a small political risk with low media coverage; low reputational risk]</p> <p>Likelihood = Possible 3 [No occurrence in LBHF, but known incidents outside the organisation]</p>
Risk Review	Economy: Concierge service	Background	Fraud risk register

	<p>The concierge service provides security and monitoring, both on-site and via remote CCTV, across the Council's residential estates.</p> <p>The service covers seven sites over four estates, and three of these sites are required to have a 24-hour cover.</p> <p>Maintaining an effective service can be complex and resource-intensive, and the service currently relies upon agency staff and officers working overtime to support the service.</p> <p>Fraud risks include;</p> <ul style="list-style-type: none"> • Management has not established procedures to monitor employee overtime claims. • Management fails to perform supervisory reviews of employee timesheets. • Processes fail to contain detection/prevention controls to identify false claims or overclaiming. <p>Strategic objective(s) of activity: Accessing and understanding fraud risks; Enhancing fraud controls and processes</p>	<p>A recent spike in budgetary commitments led CAFS to undertake a review of the salary budget and hours claimed to assess the adequacy and effectiveness of internal controls with emphasis on overtime.</p> <p>Findings</p> <p>The review found that the service has a process in place to manage shift cover and overtime and that it has been communicated to the team, providing defined roles and responsibilities concerning the management of shift cover.</p> <p>The manager and supervisors meet regularly to oversee rotas, agree on shift patterns, review shift cover procedures and overtime claims. Overtime reports are produced periodically to inform the manager and monitor overtime expenditures.</p> <p>At the beginning of each shift, supervisors undertake spot checks to ensure individuals are starting on time, and the CAFS review found evidence of corrective measures being taken and reported to senior management.</p> <p>Anti-Fraud Controls</p> <p>Overall CAFS, was satisfied that the review provided assurance that adequate controls exist to monitor the accountability of the service, ensure shifts are fulfilled. Processes in place to review and approve overtime.</p> <p>The service has been reliant on agency staff, and there is a high number of vacancies. However, management has begun to address this, and this action has already projected a significant reduction in overtime expenditure.</p>	<p>Risk score</p> <p>LOW = 4</p> <p>Impact = Very Low 1 [Very low financial loss, a political risk with very low media coverage; low reputational risk]</p> <p>Likelihood = Likely 4 [Incident within last two years – although controls detected & prevented]</p> <p><i>Previously: Unable to assess</i></p>
Risk Review	Adult Social Care: Personal Budgets	Findings	Fraud risk

	<p>Direct Payments were introduced to ensure persons assessed as having suitable needs could receive funds directly to pay for their care needs.</p> <p>When a Service User receives Direct Payments, they are responsible for organising how their care is delivered to meet their assessed eligible needs. Direct Payments can be made into a specific bank account set up for that purpose or by a Pre-Paid Card in the service user's name.</p> <p>A risk review was undertaken to ensure payments were being monitored correctly by the service and funds were being used by clients for their correct purpose.</p> <p>Strategic objective(s) of activity: Accessing and understanding fraud risks; Enhancing fraud controls and processes</p>	<p>CAFS found a standard operating procedure (SOP) supported by a written policy to guide staff. The procedure includes a review of client expenditure every quarter using specifically designed forms.</p> <p>Forms are sent to clients for them to complete, and upon their return, the team update a monitoring spreadsheet and review whether an underspend is present or not.</p> <p>CAFS found several forms had not been returned, but this was due to the pandemic and shielding clients who have not been able to get out to return the details.</p> <p>Anti-Fraud Controls</p> <p>CAFS found that the quarterly monitoring procedure failed to ask all clients for evidence of personal budget expenditure, i.e. sight of bank statements, and instead only asked a 10% sample to provide account evidence. CAFS deemed too small in relation to the overall expenditure and advised to increase the sample size, with every client providing their bank statements at once per year.</p> <p>The Direct Payments Team are also advised to encourage reviewing officers to undertake fraud awareness training that will raise their awareness on detecting anomalies when checking bank statements and will also make the overall review process more robust.</p> <p>Both recommendations were agreed upon, and training has been undertaken. The success of the training has led to the fraud awareness course being rolled out to a wider audience, beyond just the personal budget team, within ASC.</p>	<p>register</p> <p>LOW = 3</p> <p>Impact = Very low 1 [Very low financial loss, a small political risk with low media coverage; low reputational risk]</p> <p>Likelihood = Possible 3 [No occurrence in LBHF, but known incidents outside the organisation]</p>
Special Operation	Private Care Provider	<p>Background</p> <p>Residents who require long term community care and support</p>	N/A

	<p>Intelligence from another London borough raised possible concerns regarding a specific private care provider operating in LBHF.</p> <p>The information suggested possible misuse of funds and concerns regarding the amount of care received by clients.</p> <p>Strategic objective: Protect: Protecting the residents from fraud and preventing the harm that fraud can cause in the community.</p>	<p>often choose to receive a sum of money to pay for their care directly from a private care provider.</p> <p>Methodology</p> <p>An interrogation of the data identified ten clients linked to the care provider and working in partnership with Safeguarding Officers; each one was reviewed in detail. This included careful analysis of the care packages provided, the clients' financial records, and an informal discussion with each client.</p> <p>Findings</p> <p>The reviews found no cause for concern regarding the care and support provided, and there was no evidence of any safeguarding issues regarding the vulnerable residents.</p> <p>There was no evidence of wrongfully claimed care or support and no evidence to suggest the clients or care provider misusing the financial care packages.</p> <p>The review included an up to date assessment of client needs. In one instance, this identified the need to increase the care package by a few hours per week, while another client required a reduction in hours.</p> <p>Outcomes</p> <p>The review has assured that the concerns raised were unfound, and the care package adjustments identified a net annual saving of £4,565.</p>	
Fraud Awareness	Benefits Service – Fraud Awareness	In response to an audit recommendation regarding fraud awareness, the Benefits Service undertook an online course which concluded with a knowledge assessment to evidence	N/A

	<p>As CAFS build fraud resilience, it is essential that we continually refresh and promote the Council's suite of anti-fraud related policies and procedures, using training to enhance understanding and raise awareness.</p> <p>Strategic objective: Developing a more effective anti-fraud culture</p>	<p>learning. The evaluation aims to measure how well a learner has understood the course content. Additionally, these assessments also help learners gauge their own knowledge and learning progress.</p> <p>The course was bespoke for the Benefits Service, having been designed and written by CAFS.</p> <p>Role-based training helps employees better connect the messages of the training to their daily responsibilities. This type of anti-fraud training also helps staff identify suspicious activity and feel empowered to act against potential fraud.</p> <p>The course highlighted general fraud risks experienced by local authorities and the consequences of fraud on the Council and the wider community.</p> <p>It then focused on benefit fraud, the risks, the fraud types and fraud indicators so officers can remain vigilant in how to spot fraud and how to prevent fraud. The course also provided clear advice on what officers should do if they suspect fraud and make referrals.</p> <p>A total of 43 officers completed the course and learning assessment, scoring an average of 87% against a 70% pass mark.</p>	
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	Case Description
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1.	<p>TENANCY FRAUD – CAFS received a referral suggesting that the tenant of a one-bedroom property in Farm Lane, SW6, had not lived in the property for some time. The information contained in the referral was corroborated when initial checks linked the tenant to an address in Ealing.</p> <p>Visits to the property were unsuccessful, and officers received no responses. However, officers spoke to residents in the area, who all confirmed that the tenant was not using the property. They said he was not living there, and one went on to say that they could see into the garden and that it was unkempt and overgrown.</p> <p>Enquiries linked the tenant to an address in the London Borough of Ealing. Further evidence also confirmed this, including checks of the tenant's freedom pass and travel data. This data corroborated the Ealing link with all journeys made from within the London Borough of Ealing.</p> <p>During a break in restrictions, the tenant was interviewed. The collated evidence was shown to him, and he confirmed that he was spending most of his time away from the flat and stayed with a family member in Ealing.</p> <p>Based on the documents that were shown to the tenant, he decided that it would be in his interest to surrender the tenancy and signed a surrender tenancy form.</p>
2.	<p>SUCCESSION – Following the death of a tenant who lived in a two-bedroom property in Frithville Gardens, the Council received an application for succession from a family member. Council records suggested that the tenant was recorded as living alone, and there was no reference to anyone else living at the address. The Housing department duly referred the matter to CAFS.</p> <p>The applicant stated that they had lived at the property since 2018; however, a check of financial information, including mortgage details, linked the subject to a property near Colchester. Their residency here was further confirmed by the HM Land registry and Suffolk County Council.</p> <p>CAFS findings were passed to Council's legal department, but before any summons could be issued, the applicant handed back the keys to the property.</p>

3.	<p>SCHOOLS SCAM - Fraudsters were thwarted when they tried to scam several schools across the borough using an unsolicited goods fraud demanding payments. A referral to CAFS stopped the scam, and CAFS disseminated a subsequent intelligence alert to all schools across the borough.</p> <p>This type of scam revolves around unsolicited goods and an expectation that payment will be made for the item(s) without any questions being asked by school staff. The goods are usually items of no value, such as an old DVD or a leaflet, and the invoice, which arrives a few months later to ensure memories are a little blurred, is for an amount that far exceeds the value of the goods.</p> <p>The invoices' details are never traceable and include an unregistered mobile phone number, a fake email address and a postal mailbox address.</p>
4.	<p>SUCCESSION – The tenant of a three-bedroom property in Ancill Close died in 2019, and the Council received an application for succession from a family member. A previous succession occurred in 2003; therefore, the applicant was considered for a discretionary tenancy award.</p> <p>Council records suggested that the tenant was recorded as living alone, and there was no reference to anyone else living at the address. The matter was duly referred to CAFS.</p> <p>Notes on the housing file suggested the tenant had tried to apply for a mutual exchange with another family member. This gave investigators a possible lead to identify where family members were living before the tenant's death.</p> <p>The investigation found the applicant linked to addresses in Glenthorne Road and one in Willesden Junction.</p> <p>In January 2020, the applicant was interviewed under caution but denied that they had never lived at the Ancill Close address. They said they registered their financial details at the Glenthorne Road address because it was closer to the bank. However, from Ancill Road to Glenthorne Road, the applicant would pass the bank on the route.</p> <p>Shortly after the interview, the deceased's family contacted the housing officer and agreed to return the keys to Ancill Close and vacate the property. However, the family delayed in returning the keys, submitting complaints to the local MP, which were unfound.</p> <p>In June 2020, they eventually returned the keys to the property, and the tenancy was ended.</p>

5.	<p>PERSONAL BUDGETS – CAFS received a referral via fraud hotline alleging that a resident in Aintree Estate was exaggerating their disability and misusing their direct payments.</p> <p>The initial enquiries by CAFS revealed many bank accounts held by the subject and also alternative names used by the subject.</p> <p>Following an initial visit to the client where a consensual agreement was signed, bank statements for the client's accounts were obtained. These showed a pattern of personal expenditure and confirmed that not all of the client's care budget was being used appropriately. However, the account statements showed cash withdrawals and regular payments made to many food outlets and food delivery companies.</p> <p>Over a six years period, it was clear that not all the care package had been spent on support. Following account analysis by the adult social care finance team, a significant overpayment was created to repay the client in full.</p> <p>Criminal charges were considered, but the case failed the public interest test due to the client's age and vulnerabilities, following the Code for Crown Prosecutors.</p>
6.	<p>COVID GRANT REVIEW - Discretionary grant application received from a business claiming to operate Boscombe Road, W12. The documentation supplied in support of the application was checked by an investigator, but they found anomalies regarding the rental agreement.</p> <p>Interrogation of Council records showed that the address appeared to be residential property split into several units. This also showed several different residents in the building.</p> <p>The rental agreement failed to denote the actual flat number, and checks on the bank statements failed to identify evidence of rent payments or any other business expenditure or liabilities being paid through the account.</p> <p>Finally, open-source enquiries failed to find any information to show the business was operating and the grant was deemed ineligible.</p>

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 22/06/2021

Subject: Anti-Fraud Policy Review

Report of: David Hughes, Director for Audit, Fraud, Risk and Insurance

Responsible Director: Director for Audit, Fraud, Risk and Insurance

Summary

In accordance with the terms of reference the Committee is responsible for the effective scrutiny of anti-fraud arrangements and activities, the Audit Committee:

- review and note certain anti-fraud policies; and,
- is responsible for gaining assurance that policies are kept up to date and are fit for purpose.

This paper contains three revised anti-fraud policies, reported in the appendices to this report, for review and approval. They are:

- Anti-Bribery Policy;
- Anti-Money Laundering Policy; and,
- Fraud Response Plan.

Recommendation

For the Committee to review and note.

Wards Affected: None

H&F Values

Please state how the subject of the report relates to our values – delete those values which are not appropriate.

Our Values	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	CAFS supports the Council in its statutory obligation under Section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption.

Contact Officer(s):

Name: Andy Hyatt
Position: Head of Fraud
Telephone: 020 7361 2777
Email: andy.hyatt@lbhf.gov.uk

Background Papers Used in Preparing This Report

None

INTRODUCTION

- 1.1 In accordance with the terms of reference the Committee is responsible for the effective scrutiny of anti-fraud arrangements and activities, the Audit Committee:
- review and note certain anti-fraud policies; and,
 - is responsible for gaining assurance that policies are kept up to date and are fit for purpose.
- 1.2 This paper contains three revised anti-fraud policies, reported in the appendices to this report, for review and approval. They are:
- Anti-bribery policy;
 - Anti-money laundering policy; and
 - Fraud response plan.
- 1.3 There are no material changes resulting from the review of the policies.

ANTI-FRAUD POLICIES

- 2.1 Minimising any losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purposes for which they are intended and ensuring we remain ruthlessly financially efficient.
- 2.2 Staff are often the first to spot possible cases of wrongdoing at an early stage and are therefore encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination. Any concerns raised will be treated in the strictest confidence and will be appropriately investigated.
- 2.3 It is therefore vitally important that anti-fraud policies are kept up to date to support and guide Council staff, ensuring compliance with laws and regulations, giving guidance for decision-making, and streamlining internal processes.

OPTIONS AND ANALYSIS OF OPTIONS

- 3.1 The Director of Audit, Fraud, Risk and Insurance is required to provide an annual report and opinion on the Council's system of internal control under the Public Sector

Internal Audit Standards. This includes having appropriate arrangements for protecting, detecting and deterring fraud against the Council.

CONSULTATION

- 4.1 The report has been subject to consultation with the Strategic Leadership Team.

EQUALITY IMPLICATIONS

- 5.1 There are no equality implications arising from this report.

LEGAL IMPLICATIONS

- 6.1 The work of CAFS is governed by a range of legislation including: the Police and Criminal Evidence Act, the Criminal Procedures Investigation Act, the Regulation of Investigatory Powers Act, the Fraud Act, the Prevention of Social Housing Fraud Act and the Proceeds of Crime Act.

FINANCIAL AND RESOURCES IMPLICATIONS

- 7.1 Resources required to deliver on the Council's counter fraud strategy come from the budget allocated to the Corporate Anti-fraud Service. There are no additional resource implications arising from this report. Successful investigations and prosecutions can lead to the recovery of Council assets and money which are required to protect front line services.

RISK MANAGEMENT

- 8.1 The delivery of the counter fraud strategy and associated policies contributes to the management of fraud risks faced by the Council, with proactive exercises supporting managers to put effective counter fraud and corruption controls in place in their systems and processes.

Date of Issue	Next review date
June 2021	December 2022

ANTI-BRIBERY POLICY

1. Introduction: Policy statement

- 1.1 Bribery is an inducement or reward offered, promised or provided to gain a personal, commercial, regulatory or contractual advantage. Bribery is a criminal offence and punishable for individuals by up to ten years' imprisonment.
- 1.2 It is the Council's policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our activities.
- 1.3 We are committed to the prevention, deterrence and detection of bribery. We aim to maintain anti-bribery compliance "business as usual", rather than as a one-off exercise.
- 1.4 Those employed by or acting as agent for the Council and its schools will not pay bribes nor offer improper inducements to anyone for any purpose. Nor will those individuals accept bribes or improper inducements.
- 1.5 To use a third party as a conduit to channel bribes to others is a criminal offence. The Council does not, and will not, allow its staff or Members to engage indirectly in or otherwise encourage bribery.

2. Objective

- 2.1 The purpose of this policy is to:
 - (a) Set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and,
 - (b) Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

3. Bribery Act 2010

3.1 There are four key offences under The Bribery Act 2010:

- bribery of another person (section 1);
- accepting a bribe (section 2);
- bribing a foreign official (section 6); and,
- failing to prevent bribery (section 7).

3.2 In many instances of bribery or corruption, Fraud Act 2006 offences are also relevant, for example, fraud by abuse of position or fraud by failing to disclose.

4. Responsibilities

4.1 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the organisation. All staff are required to avoid activity that breaches this policy.

4.2 All staff must:

- Ensure that you read, understand and comply with this policy; and,
- Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.

4.3 It is unacceptable for staff to:

- Accept payment, a gift or hospitality from a third party that you know, or suspect, is offered with the expectation that it will obtain a business advantage for them; or,
- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to a government official, agent or representative to "facilitate" or expedite a routine procedure.

5 Declarations of interest

5.1 All employees need to declare whether they have any personal interests that may conflict with the interests of the Council. Outside activities, additional employment or voluntary work can all create the potential for the interests of the employee to come into conflict with those of the Council.

5.2 All employees need to read the Council's advice regarding declarations of interest and decide whether they have any conflicting personal interests and to agree to inform the Council if these circumstances change.

5.3 Because declarations of interest are fundamental to the effective operation and reputation of the Council, failing to declare an interest will always be dealt

with by the Council as a disciplinary matter and is likely to be deemed gross misconduct which may result in your dismissal.

6 Gifts and hospitality

- 6.1 This policy is not meant to change the requirements of our gifts and hospitality.
- 6.2 The acceptance of gifts and hospitality, even on a modest scale, may arouse suspicion and must be capable of public justification. A register of gifts and hospitality is therefore kept for each of the Council's directorates.
- 6.3 Employees are still required by the Officers' Code of Conduct to record gifts or hospitality offered to them (whether accepted or not) and hospitality provided to others outside the Council. This should preferably be recorded as it happens, rather than at the end of a fixed period. In any case, it must be recorded within one month of the event (or the date of an offer of hospitality, if refused). Regular nil returns are not required.
- 6.4 Hospitality recorded is subject to review by the employee's line manager.
- 6.5 For more information, and to access the online form, [click here](#).

7 Red flags: warning signs of bribery

- 7.1 The risk of Bribery will vary across the Council depending upon the functions. It is, therefore, important that staff are aware of the warning signs, including:
 - A member of staff receives and accepts excessive hospitality or has a personal interest. Is this declared?
 - A member of staff constantly ignores the procurement process
 - Continued use of a particular supplier/contractor despite reports of poor performance, and the same supplier or contractor seems to be winning all the work
 - Officers asking for invoices to be approved that do not have sufficient detail, or where there are concerns that the work/supply has never been undertaken or received.
 - A member of staff has a meeting with a supplier or contractor, and they insist on going alone, there is also a lack of minute taking. There is the risk that a corrupt relationship could develop.

8 Reporting your concerns

8.1 If in the course of your duties someone attempts to influence the outcome of a project, procurement or decision, you must politely refuse and immediately:

- Report the matter to your line manager, their manager or the Head of Service. If for any reason this is not possible you should speak to those named below.
- You should make a note of who attempted to influence you and what was offered, who they work for, their contact details and the date and time of the incident. Also, you should note any witnesses, if any.
- Members should report the incident immediately to the Monitoring Officer and Director of Audit, Fraud, Risk and Insurance.

8.2 If an incident of bribery, corruption, or wrongdoing is reported, the Council will act as soon as possible to evaluate the situation. The Council has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.

8.3 Employees can also raise their concerns in accordance with the Council's Whistleblowing Policy.

8.4 If you have any questions about this procedure, please contact:

- Director of Audit, Fraud, Risk and Insurance: David Hughes, David.HughesAudit@lbhf.gov.uk, 07817 507695
- Head of People & Talent, Mary Lamont (mary.lamont@lbhf.gov.uk)
- Head of Fraud: Andy Hyatt, Andy.Hyatt@lbhf.gov.uk, 07739 313817
- Fraud Hotline: 020 8753 1273

Date of Issue	Next review date
June 2021	December 2022

ANTI-MONEY LAUNDERING: Policy & procedure

1. Introduction

- 1.1 The Council will take measures to prevent the organisation, its Members and officers being exposed to money laundering, to identify areas where money laundering may occur and to comply with legal and regulatory requirements.
- 1.2 The Proceeds of Crime Act 2002, the Terrorism Act 2000 and Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering and the prevention of terrorist financing. The Council must also appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activity.
- 1.3 It is the responsibility of staff and Members to be vigilant and act promptly where money laundering is suspected. Failure to comply with this Policy, and accompanying procedures, may lead to disciplinary action being taken against them. Failure by a Member to comply with the procedures may be referred to the Monitoring Officer.

2. What is Money Laundering?

- 2.1 Money laundering is a process of converting cash or property derived from criminal activities to give it a legitimate appearance. It is a process of channelling 'bad' money into 'good' money in order to hide the fact that the money originated from criminal activity, and often involves three steps:
 - **Placement** - cash is introduced into the financial system by some means. For example, depositing the cash into bank accounts, exchanging currency or simply changing small notes for large notes (or vice versa).
 - **Layering** - a financial transaction to camouflage the illegal source; transfers between accounts including offshore, offering loans, investments and complex financial transactions.

- **Integration** - acquisition of financial wealth from the transaction of the illicit funds. For example, buying residential and commercial property, businesses and luxury goods.

3. What is Terrorism Financing?

- 3.1 Terrorism financing is the act of providing financial support, funded from either legitimate or illegitimate source, to terrorists or terrorist organisations to enable them to carry out terrorist acts or will benefit any terrorist or terrorist organisation.
- 3.2 While most of the funds originate from criminal activities, they may also be derived from legitimate sources, for example, through salaries, revenues generated from legitimate business or the use of non-profit organisations to raise funds through donations.

4. What are the main offences?

- 4.1 There are three main offences:
- **Concealing:** knowing or suspecting a case of money laundering but concealing or disguising its existence.
 - **Arranging:** becoming involved in an arrangement to launder money or assisting in money laundering.
 - **Acquisition, use or possession:** benefiting from money laundering by acquiring, using or possessing the property concerned.
- 4.2 None of these offences are committed if:
- the persons involved did not know or suspect that they were dealing with the proceeds of crime; or,
 - a report of the suspicious activity is made promptly to the Money Laundering Reporting Officer (MLRO).

5. What are the obligations on the Council?

- 5.1 The main requirements of the legislation are:
- To appoint a money laundering reporting officer (Nominated Officer);
 - Implement a procedure to receive and manage the concerns of staff about money laundering and their suspicion of it, and to submit reports where necessary, to the National Crime Agency (NCA);
 - To make those staff most likely to be exposed to or suspicious of money laundering situations aware of the requirements and obligations placed on the organisation, and on them as individuals; and,

- To give targeted training to those considered to be the most likely to encounter money laundering.
- 5.2 Providing the Council does not undertake activities regulated under the Financial Services and Markets Act 2000, the offences of failure to disclose and tipping off do not apply. However, the Council and its employees and Members remain subject to the remainder of the offences and the full provisions of the Terrorism Act 2000.
- 5.3 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.

6. Nominated Officers

- 6.1 The regulations require the Council to appoint a Nominated Officer, sometimes known as Money Laundering Reporting Officer ("MLRO").
- 6.2 The MLRO and their appointed Deputy MLRO are responsible for receiving internal suspicious transaction reports (also known as disclosures), deciding whether these should be reported to the National Crime Agency (NCA), and making the report when required.
- 6.3 The Nominated Officers within the Council are:
- **MLRO: Section 151 officer: Emily Hill**, Director of Finance (Emily.Hill@lbhf.gov.uk) 020 8753 2501
 - **Deputy MLRO: Andy Hyatt**, Shared services Head of Fraud (andy.hyatt@lbhf.gov.uk) 07739 313817

7. High value cash transactions

- 7.1 Those receiving or arranging to receive cash on behalf of the Council must ensure they are familiar with the Council's Anti-Money Laundering Policy.
- 7.2 The first stage of money laundering, placement, is where vigilance can often detect and prevent it happening, because large amounts of cash are pretty conspicuous.
- 7.3 In line with the National Crime Agency recommended thresholds for reporting, no single payment to the Council should be accepted in cash if it exceeds **£5,000**.

8. What should I do if I suspect money laundering?

- 8.1 Staff who know or suspect that they may have encountered criminal activity and that they may be at risk of contravening the money laundering legislation, they

must report this as soon as practicable to the Money Laundering Responsible Officer (MLRO) or Deputy MLRO to advise of their concerns.

- 8.2 The disclosure should be at the earliest opportunity of the information coming to your attention, not weeks or months later.
- Refer to the Council's Anti-Money Laundering Procedures.
 - Do not tell the customer about your suspicions.
 - Report your suspicions immediately to the Council's MLRO or Deputy MLRO (details above).
 - Keep all records relating to the transaction(s). If you are unsure about what records or information to keep, please ask the MLRO.
- 8.2 More information about making a report to the MLRO is detailed at **appendix 1** and a flow chart illustrating the procedure for reporting money laundering is at **appendix 2**.

9. Tipping off

- 9.1 It is a criminal offence for a person in the regulated sector to "tip off" (i.e. inform) a person suspected of money laundering that a referral has been made to the National Crime Agency, or that there is a money laundering investigation taking place, where the tipping off is likely to prejudice the investigation.
- 9.2 A similar offence applies to those who are not in the regulated sector, including Council staff, where a person makes an unlawful disclosure "tipping off" which is likely to prejudice a money laundering investigation.
- 9.3 This offence carries a maximum penalty of five years' imprisonment and/or an unlimited fine.

10. Suspicious Activity Report (SAR)

- 9.1 Once a suspicious transaction or activity is referred to the Nominated Officer it is their responsibility to decide whether they need to send a report or 'disclosure' about the incident to the NCA. They do this by making a Suspicious Activity Report (SAR).
- 9.2 The nominated officer must normally suspend the transaction if they suspect money laundering or terrorist financing. If it's not practical - or not safe - to suspend the transaction, they should make the report as soon as possible after the transaction is completed.
- 9.3 The NCA receives and analyses SARs and uses them to identify the proceeds of crime. It counters money laundering and terrorism by passing on important information to law enforcement agencies so they can take action.

APPENDIX 1: Making a report to the MLRO

If you suspect that money laundering activity is taking place (or has taken place), or think that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as possible to the MLRO or the Deputy MLRO. Considerations of confidentiality do not apply if money laundering is at issue.

In the first instance, the report may be made informally to allow the MLRO to assess the information and decide whether a Suspicious Activity Report (SAR) should be made to the National Crime Agency (NCA).

You should provide as much detail as possible, for example:

- Details of the people involved – name, date of birth, address, company names, directorships, phone numbers etc;
- Full details of the nature of the involvement;
- A description of the activities that took place;
- Likely amounts of money or assets involved;
- Why you are suspicious.

This will assist the MLRO to make a judgement as to whether there are reasonable grounds for assuming knowledge or suspicion of money laundering. The MLRO may initiate an investigation to enable him to decide whether a report should be made to the NCA.

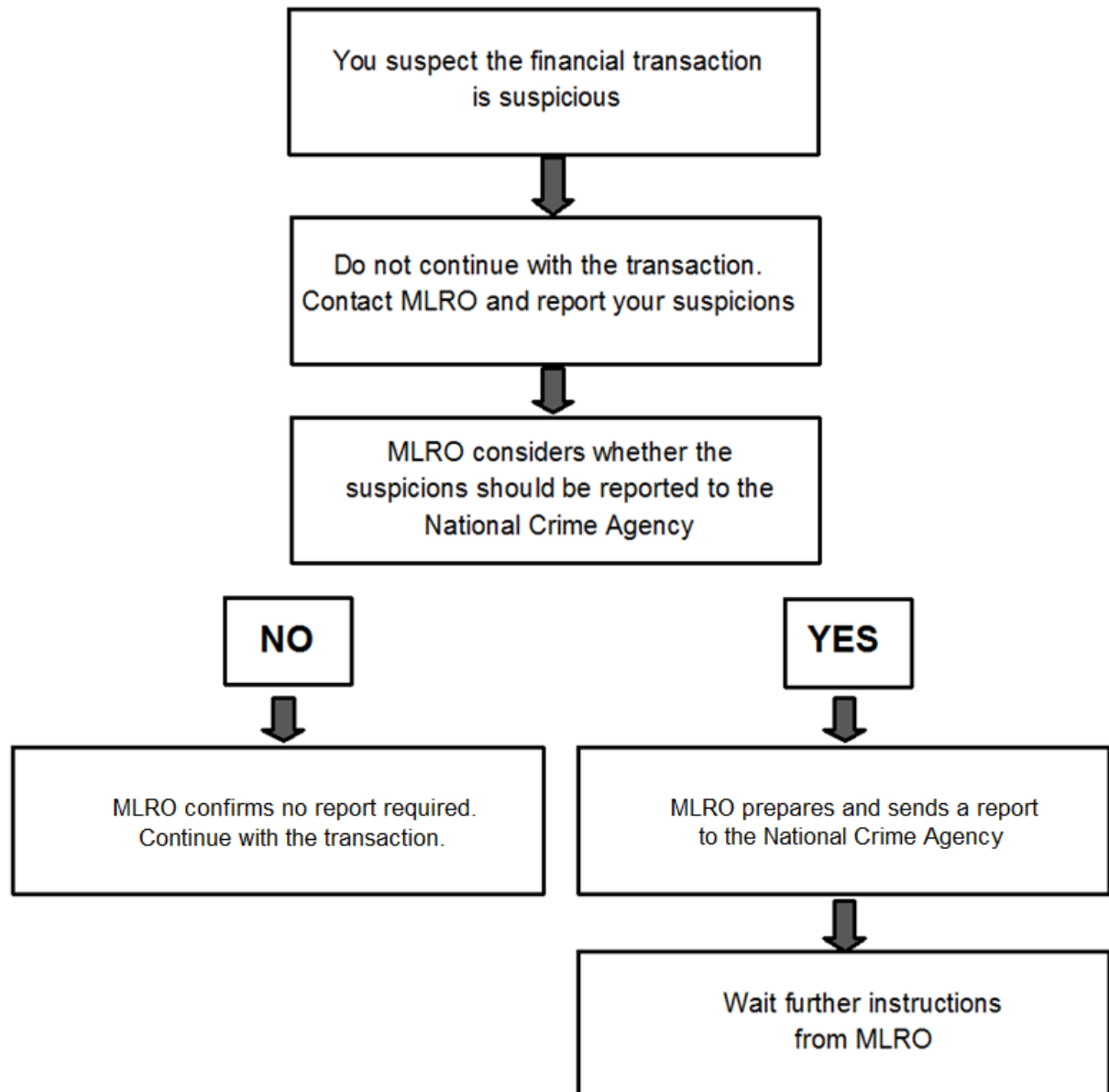
In cases where legal professional privilege may apply, the MLRO must decide (taking legal advice if required) whether there is a reasonable excuse for not reporting the matter.

Once the matter has been reported to the MLRO, you must follow any directions they may give you. ***You must not make any further enquiries into the matter yourself.*** Any investigations will be undertaken by the NCA.

If the NCA has any queries on the report, responses to those queries should be routed via the MLRO to ensure that any reply is covered by appropriate protection against claims for breaches of confidentiality.

You should not make any reference on a client file to a report having been made to the MLRO – the client might exercise their right to see the file, and such a note would tip them off to a report having been made and might make you liable to prosecution.

APPENDIX 2: The procedure for reporting (flow chart)



Date of Issue	Next review date
June 2021	December 2022

FRAUD RESPONSE PLAN

1. Introduction

- 1.1 The Council is committed to sound corporate governance and to protecting the public funds with which it has been entrusted. Minimising any losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purposes for which they are intended and ensuring we remain ruthlessly financially efficient.
- 1.2 The Fraud Response Plan provides guidance on the action to be taken when a fraud is suspected or discovered and enables the Council to:
 - Minimise and recover losses;
 - Establish and secure evidence necessary for criminal and disciplinary action;
 - Take disciplinary action against those involved; and,
 - Review the reasons for the incident and ensure that actions are implemented to strengthen procedures, controls and prevent recurrence.
- 1.4 Any suspicion of fraud will be treated seriously and will be investigated in accordance with the Council's procedures and the relevant legislation.

2. Responsibilities

- 2.1 All members of staff, including agency staff, are responsible for:
 - Acting with propriety in the use of resources and in the handling and use of public funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers; and,
 - Reporting immediately to their line manager or those named in this policy, if they suspect that a fraud has been committed or see any suspicious acts or events.
- 2.2 In addition to those individual responsibilities, managers are responsible for:
 - Identifying the risks to which systems and procedures are exposed;
 - Developing and maintaining effective controls to prevent and detect fraud; and,
 - Ensuring that controls are complied with.

3. Reporting a suspected fraud

Action by employees

- 3.1 Staff are encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination. Any concerns raised will be treated in the strictest confidence and will be properly investigated.
- 3.2 Staff are often the first to spot possible cases of wrongdoing at an early stage. Staff should **not** try to carry out an investigation themselves. This may damage any subsequent enquiry.
- 3.3 In the first instance, any suspicion of fraud, theft or other irregularity should be reported, as a matter of urgency, to your line manager. If such action would be inappropriate, your concerns should be reported upwards to one of the following persons:
 - Head of People and Talent;
 - Director of Audit, Fraud, Risk and Insurance, or
 - Director of Finance.
- 3.4 Staff may choose to report concerns anonymously or request anonymity. While total anonymity cannot be guaranteed, every endeavour will be made not to reveal the names of those who pass on information.

Action by managers

- 3.5 If you have reason to suspect fraud or corruption in your work area, or received information that might suggest wrongdoing, you should do the following:
 - Listen to the concerns of staff and treat every report seriously and sensitively.
 - Obtain as much information as possible from the member of staff including any notes or evidence to support the allegation. Do not interfere with this evidence and ensure it is kept secure.
 - **Do not** attempt to investigate internal fraud yourself or covertly obtain any further evidence as this may adversely affect any criminal enquiry.
 - Report the matter immediately to the Head of People and Talent, Director of Audit, Fraud, Risk and Insurance, or Director of Finance.

Reviewing allegations

- 3.6 Once reported the referral should be addressed by the Corporate Anti-Fraud Service and HR function to review any allegation, establish the facts of the statements made, and to recommend an investigation strategy (see flowchart at **appendix 1**).

Malicious allegations

- 3.7 If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the person raising the concern. If, however, the allegations are malicious or vexatious, the action may be taken against the person making the allegation.

4. Investigation process

- 4.1 The Corporate Anti-Fraud Service is responsible for initiating and overseeing all fraud investigations and have a dedicated team of trained investigators who will lead the enquiries.
- 4.2 In accordance with Section 67(9) of Police and Criminal Evidence Act, officers of the Corporate Anti-Fraud Service are referred to as, "charged with the duty of investigating offences or charging offenders".
- 4.3 Investigations will be undertaken with consideration for the relevant legislation, regulations and codes. In certain circumstances, investigation work may be carried out by Departmental Management following agreement and liaison with Corporate Anti-Fraud Service and Human Resources.
- 4.4 Investigation results will not be reported or discussed with anyone other than those who have a legitimate need to know. Where appropriate the person raising the concern will be kept informed of the investigation and its outcome.
- 4.5 Interim reports detailing progress and findings may be produced throughout the investigation to assist decision making.
- 4.6 On completion of the investigation, the investigating officer, will prepare a full written report setting out the background, findings of the investigation, and recommendations to reduce further exposure if fraud is proven.
- 4.7 A brief and anonymised summary of the circumstances may be published in the half-yearly Corporate Anti-Fraud Report to the Audit and Pensions Committee.

5. Disciplinary/legal action

- 5.1 Where evidence of fraud is discovered, and those responsible can be identified:
- Appropriate disciplinary action will be taken in line with the disciplinary procedure; and,
 - Where legal action is considered appropriate, full co-operation will be given to investigating and prosecuting authorities, including the police if appropriate.

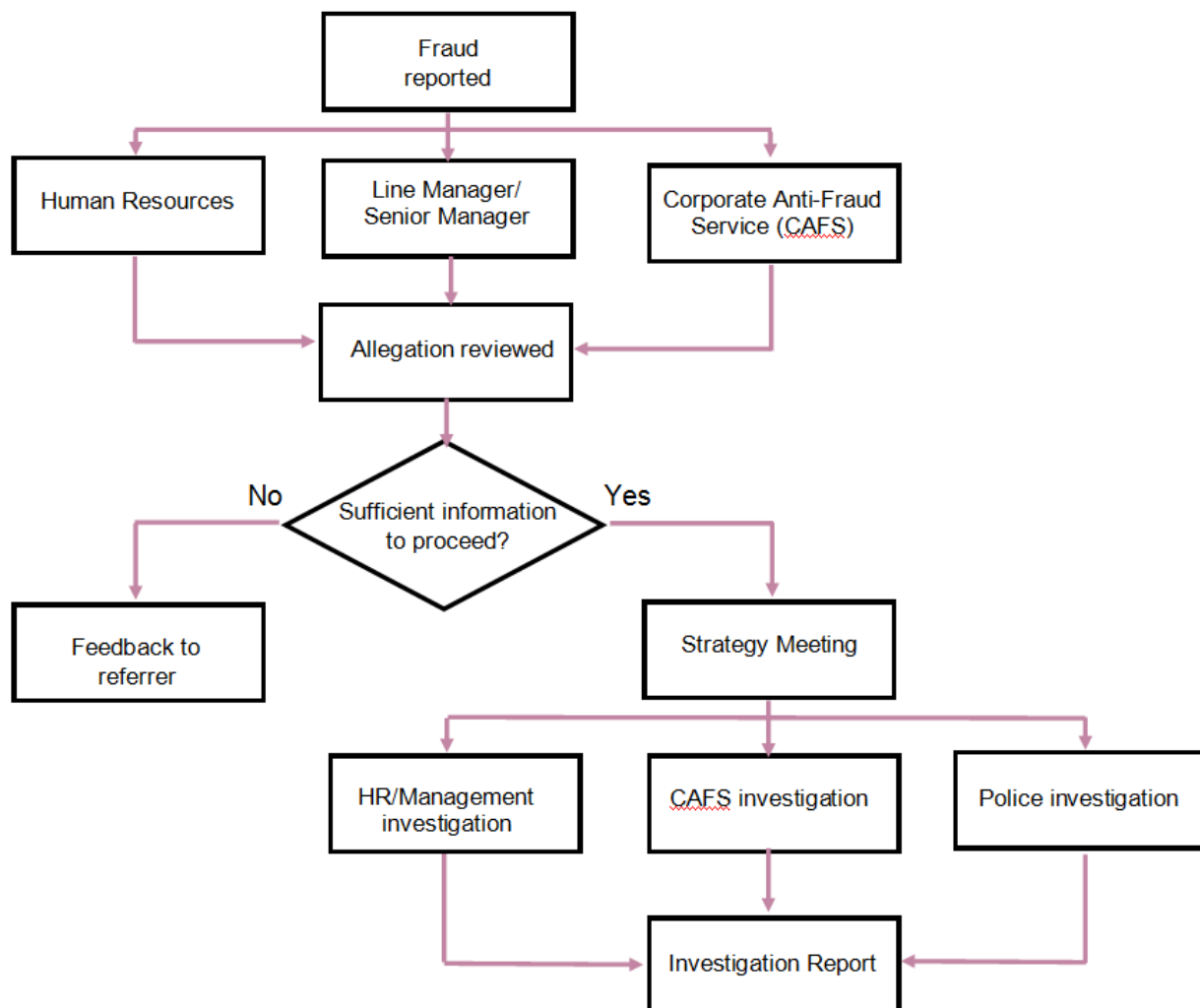
6. Recovery of loss

- 6.1 Where the Council has suffered loss, restitution will be sought of any benefit or advantage obtained, and the recovery of costs will be sought from an individual(s) or organisations responsible for fraud.
- 6.2 The Corporate Anti-Fraud Service will utilise all relevant powers to recover fraud losses including the use of Financial Investigators working within the realms of the Proceeds of Crime Act.
- 6.3 Where an employee is a member of Council's Pension scheme and is convicted of fraud, the Council may be able to recover the loss from the capital value of the individual's accrued benefits in the Scheme, which are then reduced as advised by the actuary.
- 6.4 The Council may also consider taking civil action to recover the loss.

7. Further advice

- 7.1 Advice or guidance about how to pursue matters of concern regarding potential fraud or corruption may be obtained from any of the following contacts:
 - Director of Audit, Fraud, Risk and Insurance: David Hughes, David.HughesAudit@lbhf.gov.uk, 07817 507695
 - Head of People & Talent, Mary Lamont (mary.lamont@lbhf.gov.uk)
 - Head of Fraud: Andy Hyatt, Andy.Hyatt@lbhf.gov.uk, 07739 313817
 - Fraud Hotline: 020 8753 1273

APPENDIX 1: The procedure for reviewing allegations (flow chart)



London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 22/06/2021

Subject: Head of Internal Audit Annual Report 2020/21

Report of: David Hughes, Director for Audit, Fraud, Risk and Insurance

Responsible Director: Director for Audit, Fraud, Risk and Insurance

Summary

This report summarises the work of Internal Audit in 2020/21 and provides the opinion of the Director of Audit, Fraud, Risk and Insurance on the adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion is provided for the use of the London Borough of Hammersmith and Fulham and is used to support its Annual Governance Statement.

The report sets out a continuing trend of improvement in assurance being obtained and provided for 2020/21 through the work of internal audit. This reflects the commitment to a robust assurance framework being led by the Chief Executive, through monthly SLT Assurance meetings, and through the delivery of the Ruthlessly Financially Efficient programme led by the Director of Finance.

Recommendation

For the Committee to note and comment on the report.

Wards Affected: None

H&F Values

Please state how the subject of the report relates to our values – delete those values which are not appropriate

Our Values	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	The work undertaken by Internal Audit helps to ensure that management have robust controls and practices in place to safeguard the Council's assets, controlling expenditure and maximising potential income to protect and invest in essential frontline services which are in place to meet the Council's priorities.

Contact Officers:

Name: David Hughes
Position: Director for Audit, Fraud, Risk and Assurance
Telephone: 07817 507 695
Email: David.HughesAudit@lbhf.gov.uk

Name: Moira Mackie
Position: Head of Audit
Telephone: 07800 513 192
Email: Moira.Mackie@rbkc.gov.uk

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

1. From the Internal Audit work undertaken in the financial year 2020/21, reasonable assurance can be provided that the systems of internal control are effective with 91% of the audits undertaken receiving a positive assurance opinion (85% in 2019/20), with no Nil Assurance audits being reported for the fifth consecutive year (Appendix 1). There has also been an increase in Substantial Assurance audits issued, with five issued in 2020/21 (three in 2019/20).
2. There are some areas where control improvements are required and compliance with agreed systems could be improved. In each case, action plans are either in place, or have already been implemented, to remedy the weaknesses identified. These will be followed up by the internal audit team until they are completed.
3. The Council was found to be effective, in most areas, at implementing recommendations where concerns in respect of controls were identified.
4. The report is a key element of the evidence supporting the Annual Governance Statement (AGS), which will be presented separately to the Committee with the Annual Accounts.

Internal Audit Work 2020-21

5. The Audit and Accounts Regulations 2015 require the Council to conduct a review of effectiveness of the system of internal control. This contributes to the Council priority of being Ruthlessly Financially Efficient. Detailed reports on the performance and outcomes of the internal audit work undertaken, have been presented regularly to the Council's Section 151 Officer and at each meeting of the Audit and Pensions Committee.
6. Wherever possible, when planned audits are postponed, alternative work is identified or alternative sources of assurance are sought. Due to the Covid-19

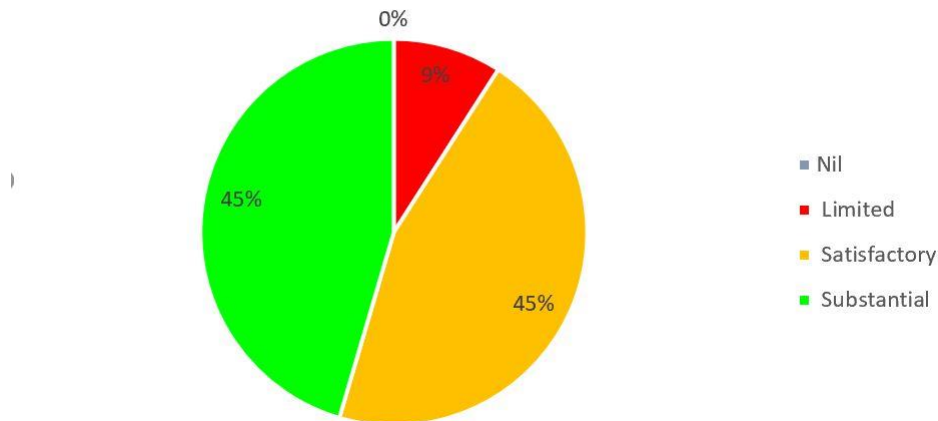
pandemic, there was some delay to the start of the audit work for 2020/21 and some of the audits originally planned to be delivered could not be started until late in the final quarter of the year and are shown as in progress in Appendix 1. Other audits were deferred until 2021/22 in agreement with the service and these are detailed in Appendix 2. Internal audit also undertook some additional work to support the Council in their response to the pandemic. The Internal Audit service has also liaised closely with the Council's senior managers to prioritise the audit work undertaken and to assist them in identifying other sources of assurance including the Director's Assurance Statements which were completed at the end of the financial year.

7. The internal audit service has been provided in accordance with the UK Public Sector Internal Audit Standards (PSIAS). During 2020/21, the Internal Audit Service undertook a self-assessment to verify PSIAS compliance which has identified general compliance with the Standards. Some improvements in reporting and planning have been identified which are being implemented in 2021/22.

Internal Audit Opinion

8. As the provider of the internal audit service to the London Borough of Hammersmith and Fulham, the Director of Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit and Pensions Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance.
9. The opinion is that, at the time of preparing this report and based upon the work completed this year, the Council's governance, risk management and internal control systems in the areas audited were adequate with the exception of those areas detailed as Limited Assurance (see paragraph 17 below), all of which have been reported to the Audit and Pensions Committee as indicated in Appendix 1. This is a positive opinion which means that the Council generally has effective internal control systems with 91% of audits receiving a positive assurance opinion. This is consistent with the outcomes in 2019/20, given that a number of reviews are in the process of being concluded, and an increase in those audits receiving a substantial assurance opinion 38% (11% in 2019/20). No Nil Assurance reports have been issued again this year.
10. In the above context it should be noted that:
 - This opinion is based solely upon the areas reviewed and the progress made by the Council to action internal audit recommendations.
 - Assurance can never be absolute neither can internal audit work be designed to identify or address all weaknesses that might exist.
 - Responsibility for maintaining adequate and appropriate systems of internal control resides with Council management, not internal audit.

Assurance Levels for the year to 31 March 2021



Managed Services – Finance, HR and Payroll Systems

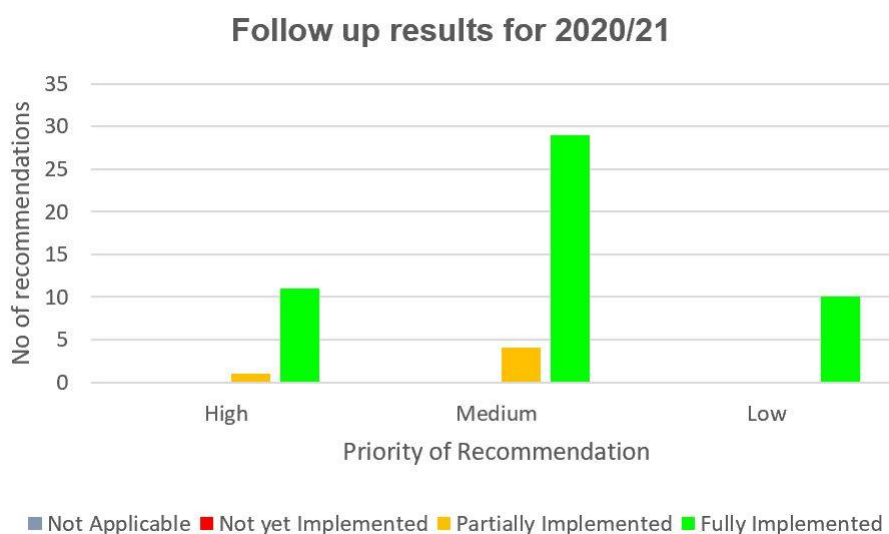
11. The Council's Finance, HR and Payroll systems are provided by the Integrated Business Centre (IBC) within Hampshire County Council (HCC). During 2020/21, HCC commissioned a Type 2 Report on the suitability of the design and operating effectiveness of service organisation controls which was prepared in accordance with the International Standard on Assurance Engagements (ISAE) 3402. The report was provided to the Director of Finance and provided reasonable assurance that the control objectives would be achieved.
12. In addition to the assurances provided by HCC, the Council is required to apply complementary controls. As part of Council's drive to be Ruthlessly Financially Efficient (RFE), Internal Audit have reviewed compliance with the local controls in respect of Finance, HR and Payroll processes. Outcomes from the RFE testing for quarters 1 to 3 was previously reported to the Audit and Pensions Committee in March 2021 with the final quarter report attached as Appendix 4.

Schools Audit Work

13. In addition to full audits have been undertaken at seven schools, two surveys were undertaken to provide a thematic assessment of the health and safety and IT security processes across the Council's maintained and voluntary schools. The responses to these provided some assurance that, in most cases, the schools had appropriate controls in place in respect of how they manage these areas. Where the responses indicated areas where improvements could be made, Internal Audit will be liaising with the schools service on improvements, potential training requirements and consider whether good practice can be shared across the schools.

Follow ups

14. The implementation of audit recommendations is reported regularly to SLT Assurance and to the Audit and Pensions Committee.
15. 55 recommendations were followed up in 2020/21 and confirmed that the implementation of medium and high priority recommendations had been consistently effective:
 - 89% of medium and high priority recommendations followed up in 2020/21 were fully implemented with a further 11% partly implemented.
 - 92% of high priority recommendations followed up were found to be fully implemented with the remaining 8% partly implemented.



16. Issues arising for Internal Audit work which have significant implications for the Council's assurance framework will be included in the Annual Governance Statement which is reported separately to this Committee. Annual Governance Statement also ensures that follow up action is taken to remedy the key control weaknesses found.

Limited Assurance Reviews

17. There were a few areas where improvements in compliance with controls were needed with only one audit being designated as limited assurance as set out in the table below:

Service Area	Audited Area	Reported to APC
Children's Services	Cambridge School	June 2021

18. The findings from this audit are summarised in Appendix 3 of this report and the full internal audit report is also provided as separate appendix (Appendix 5).

Substantial Assurance Reviews

19. As identified earlier in the report, five Substantial Assurance reviews were issued in 2020/21 (two more than 2019/20) and are set out in the table below:

Service Area	Audited Area	Reported to APC
Economy	Housing H&S – Water Hygiene & Legionella	December 2020
Children's Services	St Stephen's CE Primary School	February 2021
Children's Services	Woodlane High School	February 2021
Resources	Digital Services – New Application Approval Process (Draft)	June 2021
Environment	Council Tax	June 2021

Consultation

20. The Director of Audit, Fraud, Risk and Insurance is required to provide an annual report and opinion on the Council's system of internal control under the Public Sector Internal Audit Standards. To enable this, an Internal Audit Plan covering the Council's key risks is devised in consultation with the Strategic Leadership Team and the work performed through this plan forms the basis of the annual opinion.

Legal Implications

21. Regulation 3 of the Accounts and Audit Regulations 2015 sets out the Council's responsibility for ensuring that it has a sound system of internal control which:
- Facilitates the effective exercise of its functions and the achievement of its aims and objectives.
 - Ensures that the financial and operational management of the authority is effective, and
 - Includes effective arrangements for the management of risk.
22. Regulation 5 requires the Council to ensure that it undertakes an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
23. There are no particular legal implications arising from this report.

Implications verified by Janette Mullins, Chief Solicitor (litigation), tel: 020 8753 2744.

Financial Implications

24. The internal audit plan is delivered within the revenue budget for the service. Actions required as a result of audit work, and any associated costs, are the responsibility of the service managers and directors responsible for the areas which are reviewed.
25. The proposals contained in this paper have no additional resource implications for the audit service.

Implications completed by Andre Mark, Finance Business Partner, 020 8753 6729 and verified by Emily Hill, Director of Finance, 020 8753 3145.

Risk Management

26. The internal audit plan is developed and delivered to cover the key risks faced by the Council, to provide assurance on the key controls in operation and the effective management of key risks.

Implications verified by Michael Sloniowski, Risk Manager, 020 8753 2587.

List of Appendices:

- Appendix 1 Audits completed in 2020/21 and work in progress
- Appendix 2 Changes to the 2020/21 Audit Plan
- Appendix 3 Summary of Limited and Nil assurance reports issued since the last meeting
- Appendix 4 RFE Testing Summary for Q4 2020/21
- Appendix 5 Cambridge School

Audits completed in 2020/21

Plan Area	Auditable Area	Issued	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Cttee
Cross cutting	PPE – Review of Process (Covid Support)	Jun 2020	Advisory	n/a	n/a	n/a	Dec 2020
	RFE Compliance (Q1 to Q3)	Feb 2021	Advisory	n/a	n/a	n/a	Mar 2021
	RFE Compliance (Q4)	May 2021	Advisory	n/a	n/a	n/a	Jun 2021
	Procurement Governance	May 2021	Advisory	1	3	0	Jun 2021
	Contract Management (Draft)	Apr 2021	Report being finalised				
Finance	Pensions Admin - Payments	May 2020	Advisory	0	5	0	Dec 2020
	Income Compensation Scheme (Draft)	Apr 2021	Advisory	0	3	0	Jun 2021
Resources	People & Talent: Pensions Admin Support & Process	n/a	Advisory	n/a	n/a	n/a	Dec 2020
	Digital Services – New Application Approval Process (Draft)	May 2021	Substantial	0	1	2	Jun 2021
Children's Services	Supporting Families Claims	On-going	n/a	n/a	n/a	n/a	Jun 2021
	St Stephen's CE Primary School	Feb 2021	Substantial	0	1	2	Mar 2021
	Woodlane High School	Feb 2021	Substantial	0	0	3	Mar 2021
	St Mary's RC Primary School	Apr 2020	Satisfactory	0	5	1	Jun 2021
	Cambridge School	Mar 2021	Limited	1	1	2	Jun 2021
	Thematic Reviews – Health & Safety and IT Security	Mar 2021	Advisory	n/a	n/a	n/a	Jun 2021
Social Care & Public Health	Resilience (Draft)	May 2021	Advisory	0	2	0	Jun 2021
	Mosaic Financial Controls (Draft)	Jun 2021	Report being finalised				
	Risk Workshops	n/a	n/a	n/a	n/a	n/a	Jun 2021
Economy	Housing H&S – Water Hygiene & Legionella	Oct 2020	Substantial	0	1	0	Dec 2020

Plan Area	Auditable Area	Issued	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Cttee
	Housing H&S - Asbestos	Dec 2020	Satisfactory	0	2	0	Dec 2020
	Implementation of Health & Safety Recommendations	Dec 2020	Advisory	0	5	0	Mar 2021
	Housing H&S – Electrical	Mar 2021	Satisfactory	1	5	1	Jun 2021
	United Living Due Diligence	Mar 2021	Advisory	n/a	n/a	n/a	Jun 2021
Environment	FOI, SARs & Member's Enquiries	Apr 2021	Satisfactory	0	5	1	Jun 2021
	Council Tax	Mar 2021	Substantial	0	0	2	Jun 2021
	Housing Benefit	Mar 2021	Satisfactory	0	1	1	Jun 2021

Audit work in progress

Plan Area	Auditable Area	Status
Cross-cutting	DPO/ GDPR Support	Advisory support ongoing into 2021/22 as planned.
	Waivers	Fieldwork complete and draft report being prepared.
Finance	Treasury Management	Fieldwork completed and draft report due.
	Housing Rents	Fieldwork in progress.
Resources	Digital Services: Post Implementation Review (Techtonic)	Fieldwork complete and draft report being prepared.
	Election Readiness	Fieldwork complete and draft report being prepared.
Children's Services	Placements (Advisory)	Advisory - draft report due.
	Use of Spot Contracts	Fieldwork in progress.
	Use of Procurement Cards and Cash	Fieldwork complete and draft report being prepared.
	School Bursarial Service	Fieldwork complete and draft report due.
	Recharging for SEN	Fieldwork complete and draft report being prepared.
	Flora Gardens Primary School	Fieldwork complete and draft report being prepared.
	Avonmore Primary	Fieldwork in progress.
Social Care & Public	(St John's XXIII) Pope John Primary	Fieldwork complete and draft report being prepared.
	Supervision	Fieldwork complete and draft report being prepared

Plan Area	Auditable Area	Status
Health		
Economy	Corporate Health & Safety	Fieldwork in progress.
	Homelessness	Fieldwork in progress.
	Security, Resource Management	Fieldwork in progress.
	Service Charges	Fieldwork in progress.
	Housing Decants	Fieldwork complete and draft report due.
	Play Equipment Inspection	Fieldwork complete and draft report due.
Environment	CCTV – Contract Management	Fieldwork complete and draft report due.
	Grounds Maintenance Contract Management	Fieldwork complete and draft report due.
	Parking – PRP Scheme	Fieldwork complete and draft report being prepared.
	NNDR	Fieldwork complete and draft report being prepared.

Changes to the 2020/21 Internal Audit Plan

Audits added to the 2020/21 audit plan are included in the table in Appendix 1. The table below shows any audits removed from the 2020/21 plan, following discussions with management, or deferred to a future year.

Plan Area	Auditable Area	Reason Audit not Undertaken
Cross-cutting	Business Continuity	New system recently implemented. To consider compliance review in 2021/22 once more information is added to the system.
Finance	Capital Programme	To be considered for inclusion in 2021/22 audit plan.
	Covid-19 Related Grants	Discussions with Finance to agree assurance work. Will carry forward into 2021/22
Resources	Digital Services: Asset and Access Management	Prioritised other audits for completion in 2020/21. Deferred for inclusion in 2021/22 audit plan.
	People & Talent: Sickness Absence	Request by the service due to other pressures. Deferred for inclusion in 2021/22 audit plan.
	People & Talent: Agency Spend	Request by the service due to other pressures. Deferred for inclusion in 2021/22 audit plan.
Children's	Movement of SharePoint Data (SEN)	Request by the service to defer due to work still in progress
Social Care & Public Health	PFI Programme	Request by the service due to other priorities. Deferred for inclusion in 2021/22 audit plan.
	Risk Management Assurance	Defer until after workshops. 2021/22 plan will include risk management work focus area(s) to be confirmed.
Economy	Workzone/ Local Business Support	Delayed due to impact of Covid-19. To be reconsidered in 2021/22.
	Geometra Data Quality	No longer required as covered in various health and safety audits.
	DLO Communal & Programmed Remedial Works	Request by the service due to other priorities. Deferred for inclusion in 2021/22 audit plan.
	Property Management Systems (Techforge)	Request by the service due to other priorities. Deferred for inclusion in 2021/22 audit plan.
	Major Works, Lessee and Service Charges	Focused review undertaken in 2020/21 with consideration for an additional wider scoped review in 2021/22.
	Long Term Repairs Model	Agreed with the service that this audit would focus on the Housing Information Management System to be commenced in 2021/22 due to other service priorities.
Environment	Parks Police – Patrols, Planning & Monitoring	Service ceased with effect from Jan 2021 so audit no longer relevant.

Summary of Limited and Nil Assurance Reports since last meeting

APPENDIX 3

Audit and Scope	Details	Rating
<p>Department: Children's Services Audit Title: Cambridge School The objectives of this review were to assess and evaluate the controls in the following areas:</p> <ul style="list-style-type: none"> • Governance & leadership • Financial management • Procurement • Staff expenses & petty cash • Income • Payroll • Head Teacher's Pay • Assets & Inventory • Unofficial funds 	<p>This audit was undertaken in line with our standard audit programme for schools which is designed to review the main areas of governance and financial control. The programme's standards are based on legislation, the Scheme for Financing Schools and accepted best practice. The purpose of the audit is to help schools establish and maintain robust financial systems.</p> <p>The controls in place at the school were generally effective and a total of four recommendations were made (one high, one medium and two low priority). The low and medium priority recommendations were in the areas of governance, procurement, staff expenses and petty cash.</p> <p>The high priority recommendation was made in response to a staff loan scheme which was identified immediately prior to the audit commencing. Enquiries by the School Business Manager confirmed that the provision of these loans had not been reviewed or approved by the Governing Body. A total of 13 loans had been provided and all but one of these had been repaid at the time of the audit. In respect of this scheme, it was recommended that the school should:</p> <ul style="list-style-type: none"> • monitor the outstanding loan to ensure that it is repaid in full • report to the Governing Body explaining the circumstances of how the scheme came about, that it had not been approved by the Governors, and provide an update on the current situation. This will allow Governors to make decision on actions required and monitor this. • verify the appropriateness of any future 'schemes' with the Council prior to implementing it. Any decision made to administer such schemes should be discussed and approved by the Governing Body and be accounted for within the budget report under a separate budget code. 	<p>Limited Assurance</p>
<p>Management Update:</p> <p>The Head Teacher confirmed that the school would comply with the recommendations of the audit and produce a written report for the governors finance committee explaining the circumstances of how the scheme came about and who the recipients of the loans were. Once the report has been discussed at this committee it will go forward to the full governing board on 30th June. The Headteacher will monitor the outstanding loan to ensure that it is repaid in full and report this to Governors. The school will not run any further schemes of this type. The school will ask for a further working party to be created to discuss all payroll functions and to develop a bespoke school pay policy for support staff.</p>		

Ruthlessly Financially Efficient Summary of Findings: January to March 2021

Key Control Objectives	Process	Control Adequacy	Control Effectiveness	Findings
1. Expense Claims				
To ensure that supporting receipts are available for all expense claims.	<p>Up to £999 of expenses can be claimed by staff in a single expense claim. Staff have to confirm that they have a receipt, but there is no facility for uploading receipts.</p> <p>From August 2019 IBC have undertaken monthly monitoring of a sample of expense claims and write to managers to confirm the validity of claims. A list of sampled claims where a response is not received from the manager is sent to Strategic Director of Finance and Governance for investigation and action.</p>			<p>Monthly audits are completed by IBC. This process is monitored by the Risk Manager and RFE Lead. The Risk Manager and RFE Lead confirmed in their last three IBC expenses reports from January to March 2021 that:</p> <ul style="list-style-type: none"> There was a total of 12 officer expenses validation enquiries received. In all 12 cases, the relevant line manager was sent a reminder with the Director of Audit and Director of Finance copied into these emails. One referral was made to HR to follow up on the use of expenses for the purchase of food and beverages. There were no outstanding queries from the previous three months.
2. Additional Allowances (Honoraria, Acting up etc.)				
To ensure that there is evidence of a supporting rationale for the payment.	<p>Managers can move staff to "act up" into a role or set up secondments. There is no workflow or system controls.</p> <p>The line manager adds the additional allowance to an employee's pay through managers self-service on SAP.</p> <p>An honorarium or acting up payment will normally be paid for activities as outlined above which are required for between 4-26 weeks. Authorisation at Assistant Director/Director level is required. The agreement of the Director will be necessary for any honorarium or acting up payment that is intended to or is likely to exceed 26 weeks. An allowances report can be obtained from HR. Individual managers of selected staff should be contacted to ask for the information below:</p> <ul style="list-style-type: none"> The reason for the honoraria payment Evidence of management authorisation The start and end date of the payment 			<p>A Monthly Additional Allowances report generated by Corporate Finance identifies officers who have had additional payments and the amounts paid to them. However, this report does not identify what the additional allowance is for without accessing SAP to find these details. We therefore contacted line-managers for a sample of ten staff members who received honorariums between January and March 2021, to confirm the following:</p> <ul style="list-style-type: none"> The reason for the honoraria payment Evidence of management authorisation The start and end date of the payment <p>To date we have received responses from eight line managers. From these responses, one honorarium payment appears to have been made in error, the relevant line manager is investigating this, and further details are awaited. One more payment was recorded as honoraria because the officer was late in recording their overtime claim and the manager was advised to put this through as honoraria. For the remaining six honoraria:</p> <ul style="list-style-type: none"> In all six cases a start date was in place. In four cases an end date was in place and for two the honoraria payments were on-going. In two cases the honorarium period was within the 26 week period. In four cases the honorarium was extended beyond the 26 week period defined in the honorarium guidance. Discussions with line-managers established that an extension form was not submitted, instead extensions were agreed by the Directors, Associate Directors, and Head of Services. <p>Reasons for honoraria varied and included acting up to a more senior role,</p>

Key Control Objectives	Process	Control Adequacy	Control Effectiveness	Findings
				<p>setting up a volunteering programmes due to COVID-19, as cover for extra duties that were assigned, and preventing an employee taking a more senior role elsewhere.</p> <p>It should be noted that HR confirmed that appropriate management authorisation for honoraria payments is through the IBC and by completing a form. None of the line-managers we spoke with had completed a form and were unaware that this was a requirement.</p>
3. Promotions				
To ensure that there is a justification for the promotion.	<p>There are no real promotions. Staff are either recruited to a post or are directly hired following internal process.</p> <p>Confirm with HR whether managers can move staff up the pay scale without authorisation. Is this monitored by budget monitoring reports.</p>	NA	NA	Initial discussions with HR confirmed that there would not be any promotions and therefore this test can be removed.
4. Overtime				
To ensure that overtime payments can be supported by evidence of working additional hours.	<p>Overtime rates are dependent upon the scale of the officer. Officer inputs overtime on system and this gets work flowed to manager for approval.</p> <p>Overtime payments can only be made once an employee has worked in excess of a 36 hours week and for hours which are outside of the standard hours of business i.e. 7.30 a.m. to 7.30 p.m. Overtime working should occur if it is necessary to maintain essential service provision, and the taking of flexi leave and time off in lieu is not conducive to the smooth running of the service, then overtime payments can be considered.</p> <p>Employees graded above PO10 are not eligible to claim overtime.</p> <p>Employees who have contractual overtime included in their contract of employment do not need to submit claims for these hours. However, overtime worked in excess of contractual overtime hours must be claimed e.g. if an employee works 42 hours in a week and is required to work four hours contractual overtime, only an additional two hours overtime must be claimed.</p> <p>Overtime claims are submitted to line managers for approval.</p>			<p>For a sample of ten overtime claims between January and March 2021, in eight cases evidence was provided confirming they had been authorised by the appropriate line manager. For the remaining two claims, approval was not required as these claims were in relation to contractual overtime for Civil Enforcement Officers who are required to work an additional four hours contractual overtime per week.</p> <p>We confirmed that all ten claims were for officers under grade PO10.</p> <p>The reasons for overtime varied however, including out of hours weddings, covering sites that required constant security presence, and pandemic related duties on various projects such as Covid-19 testing stations. Other reasons included essential year end work for Council Tax and housing benefit entitlement, urgent ground maintenance and upkeep.</p>
5. Journals				
To ensure that evidence is available to support the journal.	<p>Journals are posted and approved by two different officers. SAP does not have a workflow for the approval of journals and therefore the approval process is logged on a journal and accrual log. All journals and accruals are logged via a link on SharePoint.</p> <p>A new journal request is created on SharePoint and approved by the line manager or Principal Accountant level or above. Working papers are attached to the journal request on SharePoint.</p>			For a sample of ten journals from January to March 2021, we confirmed that all were requested and approved by two separate officers. All were logged via SharePoint and had evidence attached to support the journal (working papers).
6. Changes to Supplier Details				

Key Control Objectives	Process	Control Adequacy	Control Effectiveness	Findings
To ensure that there is evidence to support the change to supplier details.	<p>Suppliers are responsible for ensuring that their own details are accurate and up-to-date via self-service. As part of being set up as a supplier, suppliers are required to register for self-service and provide their email address and mobile number in order to confirm that their details have been set up correctly.</p> <p>With regards to changes to supplier's bank details, IBC make changes to bank details based on a report received from the bank (AWACS report – Advice of Wrong Account for Credits Service). IBC do not obtain any further confirmation from the supplier prior to making the change as the change is on the basis of the AWACS report from the bank and this is taken as authorisation to manually update the bank details. A copy of the AWACS report is attached to the supplier record in SAP and the supplier is notified through supplier self-service that bank details have been changed.</p>	N/A	N/A	Performed as part of the ISAE 3402 audit undertaken by Hampshire County Council.
7. Non-order Invoices				
<p>To ensure that:</p> <p>(a) The volume of non-order invoices is monitored;</p> <p>(b) The payment has been created by an approved officer;</p> <p>(c) The order could not have been raised in advance.</p>	<p>Ibex allows a list of approved officers to make one-off payments to customers/suppliers for items such as refund of permits, compensation payments. To be granted access, an Ibex New User Form must be completed.</p> <p>Non-order invoices are monitored by Finance Systems Team. If there are errors, the team will reject the payment and send an email with the reasons why.</p> <p>Request IBEX report from Finance.</p> <p>For the sample request evidence, who it was raised by, who it was approved by and whether it was raised by an IBEX authorised user.</p> <p>If a request for non-order invoices is input to Ibex it sits with the service area and is also approved by the finance team. The finance team check what the non-order invoices are being completed for and only approved staff have access to Ibex which is requested by their managers. Any Ibex payments that are over a £25k value must be backed up by an email so they can double check the details, approvals and values.</p>			<p>For a sample of ten non-order transactions made from January to March 2021, in all cases, we confirmed that the payment had been approved by an authorised Ibex user (Finance Systems Manager) and that an order could not have been raised in advance.</p> <p>Five of the ten payments sampled between January and March 2021 were over £25K (ranging from £52,696.25 to £400,00.00). We confirmed that all five were backed up by an email to confirm the details and approvals.</p>
8. Emergency / Faster Payments				
To ensure that emergency/fast payment could not have been paid earlier through the normal method.	<p>A manual form is completed and authorised by a manager in accordance with the Scheme of Delegation before being sent to Corporate Finance for processing. The request is reviewed by Corporate Finance to ensure that it is valid and accurate prior to the payment being made via Bankline.</p> <p>For the selected sample, confirm whether a request form was provided, whether it was authorised and by who, whether the system amount matches the form amount and who it was processed by.</p>			<p>For a sample of ten emergency/faster payments made from January to March 2021, in all cases a request form was completed and appropriately authorised (eight forms had e-signatures and for two forms the authorisations were via email).</p> <p>In all cases, we confirmed that the payments could not have been made earlier through the standard payment method.</p>

Key Control Objectives	Process	Control Adequacy	Control Effectiveness	Findings
9. Petty Cash Reconciliations				
<p>To ensure that petty cash accounts are regularly reconciled.</p> <p>To reconfirm the petty cash in hand balances.</p>	<p>There are 4 departments/services that currently use petty cash: Community Needs Barclay (Sawley Road); Environment department; Coroners and ALSS department.</p> <p>Petty cash accounts should be reconciled on a monthly basis.</p>			<p><u>ALSS:</u> We confirmed monthly reconciliations have been undertaken in the period and no issues were identified in the reconciliation reviewed for 29/03/2021.</p> <p><u>Environment:</u> We confirmed no reconciliations had been undertaken in the period January to March 2021 as no one is in the office. The Environment Senior Accountant stated that the cash has not been physically counted but remains the same for both accounts as there has been no activity through the year (since 31/03/2020). The Senior Accountant has confirmed that due to COVID-19 restrictions and no staff being present in the office, a physical count and check has not been possible.</p> <p><u>Coroners:</u> We confirmed monthly reconciliations had taken place from January to March 2021 and no issues were noted.</p> <p><u>145 King Street & Sawley Road:</u> No response received.</p>
10. Petty Cash Transactions				
<p>Page 18</p> <p>To ensure that receipts are available to support the petty cash expenditure.</p>	<p>Receipts are kept by the individual departments/services.</p> <p>Request petty cash transactions for each department and test to confirm that receipts are available.</p>			<p><u>ALSS:</u> We confirmed there were no transactions between January and March 2021 and the bank account has now been closed as the Council is taking steps to become cashless. We confirmed that the closing balance was transferred to Account number 11402598.</p> <p><u>Environment:</u> We confirmed that there were no transactions in the period January to March 2021.</p> <p><u>Coroners:</u> For a sample of seven petty cash transactions between January and March 2021, we were able to confirm the amount reimbursed to jurors by cheque matched the supporting expense claim forms. However, in two cases, there was no receipts to support the claim and in another one case, the loss of earnings form to support the claim was unsigned.</p> <p><u>145 King Street & Sawley Road:</u> No response received.</p>
11. Credit Notes				
<p>To ensure that evidence is available to support the credit.</p>	<p>Requests for credit notes are only processed where there is evidence of credit due and the request has been approved.</p>			<p>For a sample of ten credit notes raised from January to March 2021, we confirmed in all cases evidence was available to support the credit and they were all approved. Credit notes were required due to invoices being raised in error or additional payment made by the supplier.</p>
12. Refunds				
<p>To ensure that evidence is available to support the refund.</p>	<p>A spreadsheet is completed by Service Areas with details of the refund together with bank details and the reason for the refund. Refund requests are authorised by a manager in accordance with the Scheme of Delegation before being sent to Corporate Finance for submitting to credit control in Hampshire for processing the refund. Once the refund has been processed, Hampshire will send a confirmation email to Corporate Finance.</p>			<p>For a sample of ten refunds processed from January to March 2021, in all cases we confirmed that the refund requests had been appropriately authorised and that there was sufficient evidence to support the refund. In all cases, the authorised amounts matched the refund amount.</p>

Key Control Objectives	Process	Control Adequacy	Control Effectiveness	Findings
13. Straight to Offer				
To ensure that for appointments that went "straight to offer" that this was appropriate.	Get Ahead Scheme is an internal process to promote and develop staff. Managers can direct hire on system provided there is a position within their responsibility. No approval is required.			Through discussions with the Strategic Resourcing Lead and review of the Straight to Offer report, we noted that the report is largely populated by an influx of agency staff that were made to be Council employees in order to reduce the Council's Agency staff expenditure. We were informed that some of these direct hires were identified to vacant roles that were being filled by agency and interim workers; some relate to a business need to support the Covid-19 response; and some are where an agency was used to run an executive campaign. Rather than use an external advertised campaign to recruit to these positions, the agency staff that were brought in went Straight to Conditional Offer. For some Directorial and Executive roles, an external recruitment agency was used. Discussions with the Strategic Resourcing Lead indicated that due to the impact of the pandemic, some departments that already had a lot of agency staff prior to the pandemic, such as Customer Services and Fire Safety, needed to hire a lot of staff quickly to limit the impact of the pandemic on the Council. A sample of ten Straight to Offer Appointments was selected. However, information is awaited to enable the testing to be undertaken.
14. Start Dates				
To ensure that the start date has been input correctly.	Hire form is in place for each new starter which is pre-populated from IBC. This form details the start date amongst other details.	N/A	N/A	Performed as part of the ISAE 3402 audit undertaken by Hampshire County Council.
15. Leave dates				
To ensure that the leave date has been input correctly.	<p>For retirement/redundancy/dismissal, an e-form is completed by HR which will include the leave date. For all other leavers, the leave date is input onto the system by managers via self-service. A new process will be introduced in September 2019 whereby managers will be producing a leavers letter which will confirm the leave date.</p> <p>The manager should upload the letter on to the IBC EPF file (Electronic Personal file) for their team member at the time of receipt. Once the person has left the Council, the team member's details are no longer accessible to the manager to review.</p> <p>A leavers report can be requested from HR. We are clarifying whether HR are able to access the letters from their system or if a request for this information needs to be made to the IBC.</p>			<p>We received a copy of the Leavers Report and a sample of ten leavers was selected. Information is awaited to enable the testing to be undertaken.</p> <p>We are also awaiting response from HR to establish whether leaver letters are submitted to IBC.</p>

London Borough of Hammersmith & Fulham

Final Internal Audit Report

Cambridge Special School

Audit Job Ref: 2020 - 29

March 2021



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This report ("Report") was prepared by Mazars LLP at the request of the London Borough of Hammersmith and Fulham (LBHF) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the LBHF and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpreted, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpreted, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.


1 Introduction

This audit was undertaken as part of the 2020/21 audit plan. The programme is designed to audit the main areas of governance and financial control. The programme's standards are based on legislation, the Scheme for Financing Schools and accepted best practice. The purpose of the audit was to help schools establish and maintain robust financial systems.

The executive summary provides the overall view of the system which is supported by RAG (Red/Amber/Green) ratings for the activities covered by the audit. The remainder of the report is by exception only to highlight areas for improvement.

2 Executive Summary

2.1 Assurance Opinion

	Nil	Limited	Satisfactory	Substantial
Audit Opinion				

2.2 Recommendations Summary

The following table highlights the number and categories of recommendations made.

Area of Scope	Adequacy	Effectiveness	Recommendations Raised		
			High	Medium	Low
Governance and Leadership			0	0	1
Financial Management			0	0	0
Procurement			0	0	1
Staff Expenses & Petty Cash			0	1	0
Income			0	0	0
Payroll			1	0	0
Head Teachers Pay			0	0	0
Assets and Inventory			0	0	0
Unofficial Funds			0	0	0
Total			1	1	2

Please refer to Appendix 1 for recommendations and Appendix 2 for a definition of the audit opinions and recommendation priorities.

3 Summary of Findings

In Internal Audit's opinion, **Limited Assurance** can be given to the Governing Body that the controls relied upon at the time of the audit were suitably designed, consistently applied and effective in their application.

The limited assurance opinion is based on inappropriate loans being made to staff which has resulted in a high priority recommendation being raised.

Design of and compliance with controls to address the key risks identified

Governance and Leadership

- The Governing Body and the Finance and Premises Committee meet at least three times a year, as per the Terms of Reference.
- All governors and staff with financial responsibilities had completed a declaration of interests form within the last 12 months.
- A Governor Skills Audit has been completed for current governors, there is no overall skills matrix in place identifying areas that could be strengthened (**Recommendation 1**).
- A Whistleblowing Policy in place, which is made available to all staff via the staff handbook and the school intranet page. A copy is also held in the staff room.
- A School Development Plan (SDP) is in place for 2020/21. Our review confirmed that the School had considered longer term objectives when putting together the plan. We confirmed that the SDP included estimated costs and resources required for each objective.
- Examination of the Governing Body and Finance and Premises Committee meeting minutes found that an annual review of School expenditure including staff expense claims and overtime claims had been undertaken.

Financial Management

- A budget plan for the 2020/21 is in place and was approved by the Governing body on 3rd June 2020 meeting. The budget is monitored on a monthly basis by the School Business Manager (SBM) and is signed off by the Head Teacher (HT). This was confirmed for a sample of three budget monitoring reports for October, November and December 2020. One of the key findings was that the majority of overspend has been on agency staff due to the pandemic.
- Bank reconciliations are completed by the SBM. Testing of October, November and December 2020 bank reconciliations identified that these were reviewed and signed off by the HT.
- The School Financial Value Standards (SFVS) was approved by Governing Body on 4th March 2020 and submitted to the Council on 31st March 2020 within the deadline.

Procurement

- A sample 15 payments made to suppliers were selected from the Schools bank history covering a 12 month period to check that orders were authorised in line with the Scheme of Delegation, and that payments had been made within 30 days of receipt of the invoice. Testing found in one case the invoice had not been paid within 30 days of the invoice date. (**Recommendation 2**).
- As at January 2021 the School has in place a total of 39 contracts with an annual value of spend totalling £199,113.50. There have been no contracts that had gone to tender for the financial period 2020/21, however review of the ICT contract that is in place confirmed that three quotes had been obtained and that the cheapest was selected. Another contract (Firefly) for the provision of Online Platform was procured by the Local Authority.

- We confirmed through discussion with the SBM there are no procurement cards in use.

Staff Expenses and Petty Cash

- Sample of five staff expenses from the past 12 months was chosen for testing, and the following was noted:
 - All five claims were submitted within one month of being incurred;
 - Four claims were authorised and supported by a receipt. The remaining one claim had not been authorised; and
 - All five claims were reasonable.**(Recommendation 3).**
- Sample testing of five petty cash claims from the past 12 months found that all had been authorised with a clear segregation of duties; signed by the claimant to acknowledge receipt of funds; supported by proof of purchase and was deemed reasonable.
- We obtained copies of petty cash reconciliations for November, December 2020 and January 2021 and confirmed that these are prepared by the SBM and authorised by the HT.

Income

- Testing a sample of three sources of income confirmed that there was an adequate audit trail in place from receipt of income to banking.
- Testing of free school meal provision confirmed that supporting documentation was obtained in all cases to evidence eligibility.

Payroll

- Payroll reports were obtained from the SBM for November, December 2020 and January 2021. We confirmed that they had been checked and signed off by the Head Teacher.
- A sample of 5 new starters were selected. We confirmed for all starters a copy of the letter of appointment, an authorised new starter form and evidence of their right to work in the UK was retained and the DBS check number recorded.
- A sample of 5 leavers were selected. We confirmed for all leavers a notification had been sent to payroll in a timely manner and that no payments had been after their leaving date.
- For a sample of 5 overtime claims, we confirmed in all cases a claim form was submitted which was signed by the claimant and had been authorised by the Head Teacher.
- It was noted that the school had been providing loans to staff, initially in the form of the Cycle to Work scheme. The Cycle to Work scheme is only applicable to Council staff as a staff incentive and is not applicable to school staff. It is understood that there was some misunderstanding by the School in relation to the eligibility of this scheme for school staff and was thus made available to school staff without checking the legitimacy of doing so. Our review of the scheme identified that a total of 13 loans had been issued between January 2017 and July 2020 totalling £10,354.66 with terms of the loan(s) ranging from 12-18 months. Six of the loans were for Cycle to Work scheme and the remaining seven were classed as personal loans unrelated to the Cycle to Work scheme. Loan repayments are done through payroll as monthly deductions, these were seen on the individual's payslips for all those members of staff who had taken a loan. We confirmed that there is one loan that is still yet to be repaid.
- These loans were not accounted for in the school budget report under a separate budget code but rather were included within the salary expenditure code. It was further noted that this loan scheme had not been discussed at the School's Finance Committee nor had the governors been made aware of it. Due to these loans not being separately identified in the

budget reports, the governors were unable to identify and challenge them. There was no evidence from the Finance Committee minutes about the scheme being discussed or queried. The scheme had been suspended, and no further loans administered when it was recognised by the Headteacher in September 2020 that it was not appropriate to provide such loans with eligibility to even the original Cycle to Work scheme being questioned by the Local Authority. (**Recommendation 4**).

Head Teacher Pay

- Observation of the staffing structure confirmed that the school currently has two members of staff on the leadership scale, the Headteacher and the Deputy. The School provided evidence of the Head Teacher's pay and this was found to be within the provision of the School Teacher Pay and Condition Document (STPCD).

Assets and Inventory

- The school has one asset register which records both IT and non-IT equipment. We were informed that the register would go to governors. However, for the period 20/21 an audit has not yet been done, but assurance was given that a review is due during February half term.
- The school backs up data daily and has a recovery plan in place as per their disaster recovery plan.

Unofficial Funds

- The school does not operate any unofficial funds.

4 Acknowledgement

We would like to thank the following members of staff for their time and assistance during the audit:

- Alan Campbell – Head Teacher
- Rebecca Moore – School Business Manager

Appendix 1: Management Action Plan

1. Governance and Leadership– Governance Skills Audit

Priority	Issue	Risk	Recommendation
Low	Whilst there are comprehensive and current risk matrices for the governors, there was no overall matrix review to show areas that may need strengthening.	Where Governor competencies are not reviewed on a regular basis, there is an increased risk that skills gaps or a lack of balance within the Governing Body may not be identified and addressed.	A review of Governor skills should be undertaken on periodically to identify any potential skills gaps or imbalances in the composition of the Governing Body.
Management Response			
<p>Agreed.</p> <p>The next full Governing body meeting is in June. We will ensure that a training matrix has been completed and is ratified at that meeting. There are current vacancies on the Governing body, we will use this tool to ensure that our recruitment process is targeted to address any deficits in skills and training.</p>			
Responsible Officer			Deadline
Alan Campbell – Head Teacher			30 June 2021

2. Procurement – Compliance with Procurement Procedures

Priority	Issue	Risk	Recommendation
Low	From a sample of 15 purchases tested, we found that one invoice had not been paid within 30 days of the invoice date.	Where payments are not made within 30 days, there is a risk that the School may damage relationships with suppliers. Furthermore, late payment charges may be applied.	All invoices should be paid in a timely manner (within 30 days) and any queries or disputes preventing the invoice being paid in this time should be recorded on the relevant invoice.
Management Response			
<p>Agreed.</p> <p>The audit found most internal processes to be robust, however there have been some issues around efficiency due to key members of staff working remotely. We will ensure regular keep in touch meetings to monitor work load and compliance with financial procedures.</p>			
Responsible Officer			Deadline
Rebecca Moore – Senior Business Manager			30 March 2021

3. Staff Expenses – Authorisation of Claims

Priority	Issue	Risk	Recommendation
Medium	For a sample of five staff expenses, one claim form was not authorised.	Where staff expense claims are not authorised, there is an increased risk of inappropriate expenses being claimed.	All staff expense claims should be authorised. Payments should not be made where claim forms are not appropriately authorised.
Management Response			
<p>Agreed.</p> <p>The audit found most internal processes to be robust, however there have been some issues around efficiency due to key members of staff working remotely. We will ensure regular keep in touch meetings to monitor work load and compliance with financial procedures.</p>			
Responsible Officer			Deadline
Rebecca Moore – Senior Business Manager			30 March 2021

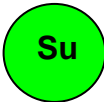


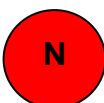
4. Payroll – Loan

Priority	Issue	Risk	Recommendation
High	<p>Prior to this review, we were made aware that the school had been administering Cycle to Work and other personal loans to staff. Upon further investigation and enquiries by the School Business Manager, it transpired that the provision of loans had not been reviewed or approved by the Governing Body.</p> <p>Our review of the scheme identified that a total of 13 loans had been issued totalling £10,354.66 with terms of the loan(s) ranging from 12-18 months.</p> <p>Staff would complete a loan pro-forma detailing need for loan, this would be authorised by the Headteacher including the terms of the loan. In one instance it was found that the proforma with a value of £750 for a bike had not been authorised by the Headteacher.</p> <p>From the 13 loans only six were for the intended Cycle to Work scheme, the others were classed as personal loans unrelated to the Cycle to Work scheme.</p> <p>One loan repayment is still outstanding. In addition, in one other case, the paperwork had not been authorised.</p> <p>It was noted that these loans were not accounted for in the school budget report under a separate budget code but rather were included within the salary expenditure code.</p> <p>Furthermore, there are tax implications with loans to employees. For loans of £10,000 or more per employee, which are either interest free or at an interest rate below the official rate used by HMRC (currently 2.5%), must be declared on a form P11D and will result in tax payable by the employee and class 1A national insurance payable by the employer. Whilst none of the loans made exceeded this threshold for declaration, the threshold for tax implications should be born in mind for any future schemes considered by the School.</p>	<p>Providing unauthorised loans is an improper use of school funds, which can result in loss of future funding, and negative reputation to the School.</p>	<p>The School should monitor the outstanding loan to ensure that it is repaid in full.</p> <p>The School should report to the Governing Body explaining the circumstances of how the scheme came about, that it had not been approved by the Governors, and provide an update on the current situation. This will allow Governors to make decision on actions required and monitor this.</p> <p>Going forward, the School should verify the appropriateness of any future 'schemes' with the Council prior to implementing it. Any decision made to administer such schemes should be discussed and approved by the Governing Body and be accounted for within the budget report under a separate budget code.</p>

Management Response	
<p>Agreed.</p> <p>We will comply with the recommendations of the audit and produce a written report for the governors finance committee explaining the circumstances of how the scheme came about and who the recipients of the loans were, explaining the current situation. Once the report has been discussed at this committee it will go forward to the full governing board on 30th June.</p> <p>The Headteacher will monitor the outstanding loan to ensure that it is repaid in full and report this to Governors.</p> <p>The school will not run any further schemes of this type.</p> <p>The school will ask for a further working party to be created to discuss all payroll functions and to develop a bespoke school pay policy for support staff.</p>	
Responsible Officer	Deadline
Alan Campbell – Head Teacher, Rebecca Moore – Senior Business Manager	30 June 2021

Appendix 2: Definition of Assurance Opinions and Recommendation Priorities

In order to help put the audit opinion and recommendation priority ratings in context the following tables detail the current ratings used by Internal Audit.

Rating	Description
	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no material errors or weaknesses were found.
	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

Priority	Description
High	Recommendation addresses fundamental weaknesses, which seriously compromise the effective accomplishment of the system's objectives. Risks presented by the control weaknesses could be damaging in the short term. The management action required should be implemented as soon as possible, certainly within 0-3 months.
Medium	Recommendation addresses serious weakness, which affect the reliance to be placed on the system. Risks presented by control weaknesses could be damaging in the medium term. Management action is required within 0-6 months.
Low	Recommendation addresses minor weaknesses, or suggests a desirable improvement. Risks presented by control weaknesses are unlikely and inconsequential. Management action is recommended to address concerns within 0-9 months.

Appendix 3: Timetable and Distribution List

Stage	Date
End of Fieldwork	01/02/2021
Draft Report Issued	18/03/2021
Responses Received	25/03/2021
Final Report Issued	30/03/2021

Audit Team
Kantaben Patel - Client Engagement Manager
Zubair Khan – Senior Auditor
Sana Arshad – Auditor
Staff Consulted
Alan Campbell – Head Teacher
Rebecca Moore – School Business Manager

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Recommendations for improvements should be assessed by management for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

This report is prepared solely for the use of Audit Committee and senior management of the London Borough of Hammersmith and Fulham. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 22/06/2021

Subject: Cyber security – Six Monthly Update

Report of: Adrian Dewey, IT Security Manager, Digital Services

Responsible Director: Veronica Barella, Chief Digital Officer

Summary

The Committee has asked that Digital Services provide six-monthly updates on Hammersmith & Fulham's cyber-security readiness. This is the update for June 2021.

Recommendations

1. Appendix 1 of this report is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. For the Committee to note and comment on the report including appendix 1.

Wards Affected: None

H&F Values

Our Values	Summary of how this report aligns to the H&F Values
<ul style="list-style-type: none">• Being ruthlessly financially efficient	The delivery of appropriate levels of protection are reviewed against cost to deliver good value for money for the authority, balanced against levels of risk.
<ul style="list-style-type: none">• Taking pride in H&F	The focus on cyber-security protects H&F against disruption and helps to maintain the council's reputation.

Contact Officer(s):

Name: Veronica Barella

Position: Chief digital officer

Telephone: 020 9753 2927

Email: veronica.barella@lbhf.gov.uk

Background Papers Used in Preparing This Report

National Cyber Security Centre guidance, Business Continuity Planning, Risk Management Strategy, HM Government National Risk Register, World Economic Forum Global Risks, Gartner Security and Risk Trends 2021.

BACKGROUND

1. Ransomware continues to be the most likely cyber threat to the provision of Hammersmith & Fulham's IT service. Ransomware is a form of malware that prevents an organisation accessing its own files by encrypting them, and then demanding a ransom payment to provide the decryption key.
2. Digital Services has reviewed its defences against and readiness for a ransomware incident in light of the learning of the successful breaches that have happened in other authorities. Our defences fall into three groups.
 - a) Protecting staff workstations against malware delivered by websites or emails.
 - b) Protecting administrative accounts which could be used by an attacker to bypass defences and plant ransomware.
 - c) Limiting the scope of an attack by keeping all software as up-to-date as possible.

Appendix 1 is a themed risk-based overview, with indications of where we plan to improve our defences.

List of Appendices:

Appendix 1 – Analysis of ransomware defences