



Friday, 12 May 2023

Dear Sir/Madam

A meeting of the Governance, Audit and Standards Committee will be held on Monday, 22 May 2023 in the Council Chamber, Council Offices, Foster Avenue, Beeston NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors: Members of the Governance, Audit and Standards Committee

A G E N D A

1. APOLOGIES

To receive apologies and to be notified of the attendance of substitutes.

2. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

3. MINUTES

(Pages 3 - 6)

The Committee is asked to confirm as a correct record the minutes of the meeting held on 13 March 2023.

4. PRESENTATION FROM THE DEPUTY CHIEF EXECUTIVE, HEAD OF FINANCE AND HEAD OF DEMOCRATIC SERVICES

The Committee will receive a presentation on the work of the Governance, Audit and Standards Committee, including the Terms of Reference.

5. CORPORATE GOVERNANCE ARRANGEMENTS (Pages 7 - 48)

To inform the Committee of action taken to develop and comply with statutory obligations regarding corporate governance and to seek approval for the Annual Governance Statement for inclusion in the Council's published Statement of Accounts for 2022/23.

6. AUDIT OF ACCOUNTS 2021/22 UPDATE (Pages 49 - 52)

To note a delay in the conclusion of the audit of the Council's Statement of Accounts for 2021/22.

7. INTERNAL AUDIT PROGRESS REPORT (Pages 53 - 62)

To inform the Committee of the recent work completed by Internal Audit.

8. WORK PROGRAMME (Pages 63 - 64)

To consider items for inclusion in the Work Programme for future meetings.

9. EXCLUSION OF PUBLIC AND PRESS

The Committee is asked to RESOLVE that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Act.

10. INTERNAL AUDIT PROGRESS REPORT - APPENDIX 3 (Pages 65 - 68)

GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

MONDAY, 13 MARCH 2023

Present: Councillor I L Tyler, Chair

Councillors: P Lally (Vice-Chair)
M Brown
S Dannheimer
J M Owen
P J Owen
J C Patrick
P Roberts-Thomson
R S Robinson
P D Simpson
T A Cullen (Substitute)

Apologies for absence were received from Councillors M Hannah, H Land and J P T Parker.

38 DECLARATIONS OF INTEREST

There were no declarations of interest

39 MINUTES

The minutes of the meeting held on 28 November 2022 were confirmed and signed as a correct record.

40 AUDIT OF ACCOUNTS 2021/22 AND ASSOCIATED MATTERS

Members were given an update from the Council's external auditors following their work on the accounts. Mazars had stated that they anticipated issuing an unqualified opinion, without modification on the financial statements. The external auditors anticipated having no significant weaknesses in arrangements to report in relation to the arrangements that the Council had in place to secure economy, efficiency and effectiveness in its use of resources. Members queried the internal control recommendations and was assured that no fraud had taken place with journal entries, asset valuations in the accounts and declarations not provided by Council Members. The Committee acknowledged for all the recommendations highlighted, improvements had been identified and would be actioned.

RESOLVED that:

- 1. The updated Statement of Accounts 2021/22 and letter of representation as circulated be approved.**

2. **Delegation be given to the Deputy Chief Executive and Section 151 Officer, in consultation with the Chair of this Committee, to approve any further changes required to the Statement of accounts 2021/22.**

41 STATEMENT OF ACCOUNTS 2022/23 - ACCOUNTING POLICIES

The Committee was provided with an update to the Council's accounting policies in relation to the production of the 2022/23 financial statements. The policies would be applied to the treatment of all transactions that made up the Statement of Accounts. The 2022/23 Code introduced amendments that did not impact on any of the Council's Policies, these included IAS16 Property, Plant and Equipment and Annual Improvements to IFRS Standards.

RESOLVED that the Accounting Polices for 2022/23 be approved.

42 STATEMENT OF ACCOUNTS 2022/23 - UNDERLYING PENSION ASSUMPTIONS

Members noted the assumptions to be used in the calculation of pension figures for 2022/23.

43 INTERNAL AUDIT PLAN 2023 - 24

Members welcomed the Internal Audit Plan for 2023/24. The audit report at completion of each assignment provided recommendations, if required for improvement and provided crucial and independent assurance to management and members over the key aspects of the Council's governance, risk management and internal control arrangements.

An explanation was provided to the Committee that the 40 days committed to corporate counter fraud activities was similar to previous years and that the Council would be participating in the National Fraud Initiative that was conducted every two years.

RESOLVED that the Internal Audit Plan for 2023/24 be approved.

44 INTERNAL AUDIT PROGRESS REPORT

The Committee noted the appendices of the report. Concern had been raised with some of the outstanding actions and revised target dates. Members suggested that the Heads of Service, relevant to the audit should be invited to Committee if the target date had exceeded six months or more to explain the reason of the delay.

45 REVIEW OF STRATEGIC RISK REGISTER

Members reviewed the amendments to the Strategic Risk Register and the action plans identified to mitigate risks. Some queries were raised with residual risks from the

failure of strategic leisure centre initiatives, failure to obtain adequate resources to achieve service objectives and the inability to recruit and retain staff. An explanation was provided that controls and mitigating measures were in place and the residual risks had improved. Clarification would be provided with the data provided within appendix 3 of the report.

RESOLVED that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out be approved.

46 WORK PROGRAMME

The Committee considered the Work Programme.

RESOLVED that the Work Programme be approved.

This page is intentionally left blank

Joint report of the Chief Executive, Deputy Chief Executive, the Monitoring Officer and the Executive Director**CORPORATE GOVERNANCE ARRANGEMENTS**1. Purpose of Report

To inform the Committee of action taken to develop and comply with statutory obligations regarding corporate governance and to seek approval for the Annual Governance Statement for inclusion in the Council's published Statement of Accounts for 2022/23.

2. Recommendation

The Committee is asked to:

1. **RESOLVE** that the draft Annual Governance Statement as shown in appendix 4 be approved in principle for inclusion in the Council's Statement of Accounts.
2. **RESOLVE** that responsibility be delegated to the Chief Executive in consultation with the Chair of this Committee to make any further amendments deemed necessary.
3. **NOTE** compliance with the Code on Delivering Good Governance in Local Government.

3. Detail

The Accounts and Audit Regulations 2015 require authorities to conduct a review, at least once in each financial year, of the effectiveness of its system of internal control and to include an Annual Governance Statement report on the review with its statement of accounts. To support this process, the Council follows proper practice as set out in the CIPFA/SOLACE publication *Delivering Good Governance in Local Government: Framework*. This Framework was initially produced in 2007 with a revised version published in April 2016. More detail about the framework and what it encompasses is given in appendix 1.

Under the Council's Constitution, this Committee is responsible for overseeing the maintenance of the internal control environment and for monitoring and making recommendations regarding the corporate governance arrangements. Appendix 2 sets out the actions the Council has taken during 2022/23 to advance the principles of the Code.

A Governance Risk and Compliance Action Plan has been developed which included at appendix 3. Appendix 4 provides an explanation of the Council's governance arrangements, and an update on the implementation of previously identified improvement actions. It concludes with the draft Annual Governance Statement and the Significant Governance Issues Action Plan for 2023/24. Once approved, it will be signed by the Leader of the Council and the Chief Executive prior to inclusion within the published accounts. The Chief Audit and Control Officer has confirmed that he

considers that the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework.

4. Financial Implications

There were no comments necessary from the Head of Finance Services.

5. Legal Implications

There were no comments necessary from the Monitoring Officer / Head of Legal Services.

6. Human Resource Implications

There were no comments necessary from the Human Resource Manager.

7. Union Comments

There were no comments necessary from the Unions.

8. Climate Change Implications

There were no Climate Change Implications.

9. Information Governance

There were Information Governance Implications.

10. Background Papers

There are no background papers.

APPENDIX 1

Background

The CIPFA/SOLACE document *Delivering Good Governance in Local Government: Framework* was published in 2007. In 2012 it was given 'proper practices' status by the Department for Communities and Local Government. Local authorities are under a statutory obligation to follow the published approach unless there are valid reasons for not doing so.

The Framework has since been reviewed and in April 2016 was published with a new set of core principles and sub-principles. There are seven core principles which have been developed to bring them more in line with the principles of open government and to establish a greater focus on outcomes, rather than processes. Each is accompanied by numerous sub-principles which provide a very comprehensive set of arrangements for ensuring that good governance exists within the organisation and is embedded in its day-to-day operations.

The seven core principles and an explanation of the intention behind each one are as follows:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.

It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good. Organisations should therefore ensure openness in their activities.

Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable.

Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved.

They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations.

Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods.

A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.

Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

F. Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services.

Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically; it requires repeated public commitment from those in authority.

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

APPENDIX 2

The Council's governance arrangements are consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016 edition)*. This Statement explains how the Council has complied with these arrangements and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an Annual Governance Statement.

A summary of how we meet with each of the seven core principles, including evidence of the principle in action, and where improvement action or new steps have been taken in 2022/23 is provided below:

A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2022/23
Member and officer Codes of Conduct set standards of behaviour for officers and members. These require adherence to the Nolan Principles. The Council's values are consistent with the Nolan Principles and are embodied in its Corporate Plan.	<p>Member Code of Conduct: Code of Conduct training was delivered to Members throughout November 2022.</p> <p>Corporate values/Induction: As part of new starter induction procedures all new starters meet with GMT when the values of the Council are discussed with relevant examples each value explained to the new starters. Every employee is enrolled onto a Broxtowe learning zone e-learning course annually on the Code of Conduct. A pass/fail quiz is integrated into the course. A staff survey is distributed annually, and one of the questions within the survey relates to employees' knowledge of the corporate values. This enables the Council to check trends over time.</p>
The Constitution contains a protocol for member and officer relationships.	Senior members of staff are actively encouraged to highlight and discuss ethical dilemmas and present committee reports in a fair and balanced way, highlighting options for members' consideration. The Monitoring Officer takes an active approach to addressing issues relating to Member and officer behaviour in order to prevent issues arising.
The Council collects data relating to its workforce and reviews this through the annual workforce profile to identify any inequity, unfairness or prejudice	The latest Workforce Profile was reviewed by the General Management Team and reported to Personnel Committee on 22 March 2022. As required by law Broxtowe published information regarding its gender pay gap.

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2022/23
in recruitment procedures or the operation of other HR practices.	
<p>The Council holds members to account for their behaviour by addressing allegations of breaches of the member code of conduct</p> <p>Two new independent persons were appointed to deal with standards issues that arise.</p>	<p>There were two Code of Conduct complaints against Borough Council Members. None involved allegations of fraud or corruption. None proceeded to formal investigation.</p> <p>There were six Code of Conduct complaints made against Parish Councillors. None proceeded to formal investigation.</p> <p>The Independent persons were involved in consideration of the Member Code of Conduct complaints raised in 2022/23, in line with the adopted local arrangements.</p>
<p>The Complaints procedure. Complaints present an opportunity for improvement and can identify systemic or behavioural failings which need to be addressed</p>	<p>An annual complaints report is presented to the Governance Audit and Standards Committee. The report provides details, in particular, of those complaints that are referred to the Ombudsman and where improvements to systems and processes have been made as a result of complaints. Any complaints where a financial settlement is appropriate, or has been made, are also reported in detail to this Committee.</p> <p>Through its Annual Equality and Diversity Report, Members review whether there may be any inequality or unfairness indicated/apparent through the protected characteristics of complaints. The report explains in detail the actions taken to promote equality and diversity.</p>
<p>The Council holds employees to account in respect of their conduct and behaviour. The number of disciplinary, grievance and whistleblowing complaints dealt with is set out in the annual workforce profile.</p>	<p>During 2022/23 in relation to employees there were:</p> <ul style="list-style-type: none"> • No whistleblowing complaints • One grievance • Eight disciplinary hearings (resulting in three first warnings; three final warnings; and two dismissals) • One employee was subject to the capability process.
<p>Every employee has an annual appraisal which leads to a learning plan for the coming year.</p>	<p>The online employee appraisal scheme continued to operate during 2022/23. 92.27% of all appraisals due were completed in year.</p>

Opportunities for further improvement

Induction training for new Councillors on code of conduct

B. Ensuring openness and comprehensive stakeholder engagement

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2022/23
<p>The Council has a variety of means through which it seeks to engage and inform employees. Mechanisms include section team meetings, senior management meetings, email bulletins and the Employee Forum.</p> <p>There are also internal working groups on which there is cross departmental representation</p>	<p>Senior Management Team briefings once every two monthly at which progress in implementing corporate plan objectives is discussed.</p> <p>Monthly informal Senior Management Team meetings.</p> <p>Equality Working Group met quarterly.</p> <p>Broxtowe Employee News bulletin was sent out regularly weekly.</p> <p>The Local Joint Consultative Committee comprising of Councillors, trade union reps and managers met to discuss HR related policies before recommending them to Cabinet. During 2022/23, examples of such policies approved in this way included:</p> <ul style="list-style-type: none"> • Alcohol and Substance Misuse Cards Policy • Smoke Free Site Policy <p>The Independent Remuneration Panel met to consider Members' Allowances for the forthcoming year.</p> <p>GMT question time happens every quarter and is open to all employees</p>
<p>Residents are regularly updated on new consultations through our website as well as press releases</p>	<p>The Council has a webpage dedicated to consultations and resident engagement.</p> <p>The major consultation exercises taking place in 2022/23 included:</p> <ul style="list-style-type: none"> • Budget consultation • Redeployable Surveillance Camera Systems Consultation • Damp and Mould Prevalence • Public Spaces Protection Orders • Town Centre CCTV • Parks and Open Spaces Survey • Continued use of Surveillance Cameras
<p>Regular tenant led Service review groups for Housing services.</p>	<p>The Housing Committee has a resident involvement group and consult regularly on housing related subjects, reporting to the housing improvement groups.</p> <p>Resident Involvement Group meets monthly at different locations throughout the borough, consulted on ideas and service improvements</p> <p>Establishing a new policy review group, as seen as good practice</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2022/23
Tenant engagement in significant reviews of Housing service delivery.	<p>Significant consultations involving tenants included:</p> <p>Changes to independent living services</p> <ul style="list-style-type: none"> • Redevelopment of garage sites • New regulation requires an annual consultation survey to be completed with all tenants • Consultation with tenants completed via RIG and tenants closed Facebook group • Consultation for new development sites continues
Engagement in relation to new strategy	<ul style="list-style-type: none"> • Monthly meetings of the Resident Involvement Group, that have been involved in progressing our Neighbourhoods Strategy • Introduction of a new closed Facebook Group for housing tenants, to provide information and for consultation • Increased use of online survey methods for transactional surveys, for example after Repairs are completed • Statutory consultation completed for changes to the Independent Living service (phases 2 and 3) • Statutory consultation completed for introduction of service charges for General Needs properties • Consultation completed with local residents for three new development sites <p>Internal stakeholders were consulted in relation to the development of the new ICT strategy.</p> <p>The review of the Core Strategy involved significant consultation with residents.</p> <p>No statutory consultations completed this year.</p> <p>RIG has been involved in considering the new regulatory requirements and tenant satisfaction measures.</p> <p>Online surveys promoted by each scheme after service provided, usually sent to tenant by email with link to Survey monkey.</p> <p>Closed Facebook group used to provide quick feedback on issues, for example consulted on changes to the repairs service.</p>
The Council encourages engagement annually on its expenditure through its annual budget survey	A budget consultation for budget 2023/24 was reported to Cabinet in February 2023. A total of 1,210 responses were received. In overall terms, local people are satisfied with the borough of

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2022/23
	Broxtowe and the Council's management of it. 76% of people are either 'satisfied' or very 'satisfied' with the area in which they live which is the same as the figure in the 2021/22 consultation. 65% are either 'satisfied' or 'very satisfied' with the way that the Council delivers services which again is the same as the previous year.
Disability Forum	The Disability Forum recommenced in 2022/23 following COVID-19 delays and is scheduled regularly as normal. A new chair has been appointed.
Broxtowe Youth Voice has appointed a Youth Mayor and Deputy. The Council's constitution provides for these individuals to participate in Council meetings (but not vote). This ensures the voice of young people is heard by members.	The Youth Mayor participated in Council meetings following her being elected in 2022/23
Community Action Teams – The Council organises regular local meetings with the local community which are chaired by ward Councillors. This is a means by which Councillors keep in touch with local people and identify action which needs to be taken which they feed back to officers or committees	The Community Action Team page on the Council's website contains details and minutes of meetings which took place.
The Local Strategic Partnership is chaired by the Leader of the Council and is a mechanism through which leaders of the public and voluntary sector organisations in Broxtowe co-ordinate activity and identify strategic issues which need joint action	Meetings of Broxtowe Partnership took place in 2022/23. Task groups on health and older people, and children's services met regularly and progress on delivering agreed actions was monitored.
Development of Local Plan Part 2 and Neighbourhood Plans	The Council's Planning department supported the development of local Neighbourhood Plans. The Awworth Neighbourhood Plan was adopted and the Toton Neighbourhood Plan went to an examination where further information requested.

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2022/23
	Consultations occurred regarding the creation of a supplementary planning document for Toton area of strategic growth and in relation to the creation of an article 4 direction to restrict the number of houses in multiple occupation in parts of Beeston. Both of these documents were submitted for adoption during 2022 and approved.
Communication and Engagement Strategy	The new Strategy was approved in January 2023. Broxtowe Matters resident's newsletter continued to be sent out and email me bulletins on various categories of interest to residents. Regular press releases, and publicity on twitter and facebook kept residents abreast of the Council's activities and matters of local relevance. The distribution of the publication was amended to maximise on the growth of the digital channels with increased engaging with hard to reach groups who are not on-line.

Opportunities for further improvement

Relaunch and fresh membership of a forum led by people with disabilities

Review citizen engagement arrangements

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
<p>The Council's vision and priorities are set out in its Corporate Plan.</p> <p>Under the Corporate Plan there are business plans for each of the Corporate Plan priorities. The Business Plans set a small number of high level outcome targets; Critical Service Indicators (CSI). These are supported by Key Performance Indicators (KPI) and Management Performance Indicators (MPI). The latter are used by managers to inform day to day operational service delivery.</p>	<p><u>The Council's Corporate Plan for 2020-24, which is available on the website.</u></p> <p><u>All the business plans in the are approved annually and can be viewed on the website. These include:</u></p> <ul style="list-style-type: none"> • Housing business plan • Business Growth business plan • Community Safety business plan • Health business plan • Environment business plan • Liberty Leisure Ltd business plan • Bereavement Services business plan • Resources business plan • Revenues, Benefits and Customer Services business plan • ICT/Business Transformation business plan
<p>Strategies – Each Corporate Plan priority is supported by a number of strategies which informs the strategic direction of the subject area and sets the framework within which annual business plan tasks and targets are set</p>	<p>The key strategies adopted in previous years and not already mentioned previously or recently updated in this table are:</p> <ul style="list-style-type: none"> • Green Infrastructure Strategy 2015-2030 • Aligned Core Strategy 2014-2020 (currently under review) • Local Plan Part 2 2018-2028 • Waste Strategy 2021-24 • Climate Change and Green Futures Programme 2020-2027 • Playing Pitch Strategy 2016-2028 • Digital Strategy 2019-2023 • Housing Strategy • Homelessness and Rough Sleepers' Strategy 2022-25 • Tenant Engagement Strategy • Neighbourhood Strategy • Broxtowe Play Strategy 2017-2020 • Economic Regeneration Strategy 2017-21 • ICT and Business Transformation Strategy 2022 2027 • HS2 Growth Strategy Sept 2017 • Revenue Budget and Medium Term Financial Strategy for 2023/24, as well as Capital Strategy,

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
	<p>Asset Management Strategy and Treasury Management and Investment Strategies.</p> <ul style="list-style-type: none"> • Apprenticeship Strategy 2022-24 • Serious Violence Strategy • Violence Against Women and Girls Strategy • Customer Services Strategy 2023-2026 • Asset Management Strategy 2022-2025 • Communications and Engagement Strategy 2023-2026 • Serious Organised Crime Strategy 2023-2026
<p>Progress on delivering business plan targets, tasks and achievement of outcome indicators are regularly reported to Councillors for scrutiny. An audit of data quality is conducted annually and all performance indicators are required to be signed off at senior management level to ensure that the quality of any data produced is of a sufficient standard</p>	<p>Performance reporting to Cabinet focuses on Critical Service Indicators (CSI) and financial information indicating variances from the expected position. This takes place on a quarterly basis.</p>
<p>The Council's financial plans are based on a Medium Term Financial Strategy (MTFS) which identifies future budget pressures. This is revised annually as part of the budget setting process and is kept under review throughout the financial year</p>	<p>The Medium Term Financial Strategy was reviewed and revised by Cabinet on 7 February 2023.</p>
<p>The Council's annual Business Strategy has the following 4 objectives: that the Council should be</p> <ul style="list-style-type: none"> • Lean and fit in its assets, systems and processes • Customer focused in all its activities • Commercially-minded and financially viable • Making the best use of technology. 	<p>The Business Strategy was revisited and revised in 2022/23 and approved by Cabinet on 4 October 2022.</p> <p>The Business Strategy identified potential efficiencies and income generation opportunities amounting to around £675,000 during 2022/23 and 2023/24 to help balance the budget.</p>
<p>Councillors keep oversight throughout the year regarding</p>	<p>Detailed reports to the Overview and Scrutiny Committee are produced at the year end to highlight</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
whether financial performance is in accordance with the agreed budget framework	financial variances from the expected position. This also happens in relation to capital plan monitoring. Within quarterly financial reporting to committees there is reporting on progress on major income streams, progress on capital schemes and salaries spending.
The Council has a strategic risk register which is regularly reviewed and reported to Governance, Audit and Standards Committee	The Council's approach to identifying and quantifying strategic risks was reviewed and improved during the previous year. The Governance Audit and Standards Committee continues to consider a further level of risk control involving a dashboard on key projects.

Opportunities for further improvement:

Develop a new Corporate Plan

Develop a new strategy for climate change

Develop a new strategy for economic development and Regeneration

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
The Council takes time to analyse options in relation to major decisions	For certain development sites, options are considered and Councillors asked to choose which ones they prefer to progress. Sites that were considered included proposals for land at the rear of the Crematorium and land at Inham Nook and were approved. There were cross party working groups to consider levelling up bids for Eastwood and Kimberley and options for development of a new leisure centre in the South of Broxtowe are being considered. The bid for Kimberley was successful.
The Council examines options for the future use of its assets in order to improve public value	Examples include: <ul style="list-style-type: none"> • Agreement to sell surplus land to the rear of the crematorium for housing development • The house building delivery plan includes proposals for redevelopment of under-utilised garage sites • An agreement was entered into with a new business to operate a café from a Council; owned recreation facility in Attenborough, bringing in an income stream Developments of Beeston and Stapleford business hubs are almost fully let Food and beverage outlets built by the Council supporting the new cinema use in Beeston town centre are almost fully let.
The Council considers the impact on customers when considering options to change patterns of service delivery	The Council has increased its Communications Team and now employs an officer whose key role is to engage with the local community, particularly with people from less heard or minority groups. This officer played a key role, for example in the recent implementation of changes to voter ID requirement, in reaching out to the community and ensuring all groups and minorities were aware of the new legislative requirements and could take advantage of the voter authentication system if required.
The Council regularly revises and updates its proposals to achieve savings and generate additional income	The Business Strategy was updated in October 2022 in preparation for the 2023/24 budget as was the Medium Term Financial Strategy.
The Council is pro-active in tackling areas of poorer performance	Measures were put in place in 22/23 to improve the Housing Repairs service, including acquisition of new software to improve rate of diagnosis of first time fixes; creation of a Housing Repairs contact

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
	<p>centre to ensure better responsiveness to tenants' needs better record keeping and progress chasing; a restructure of the Housing Repairs service, to increase capacity; bringing housing repairs back into the Housing section and ensuring the appointment of key leadership roles in house with less reliance on contracted labour.</p>
<p>The Council has regard to external events and is pro-active in examining whether its arrangements respond to identified risks and threats</p>	<p>The Council has played an active and positive part in a bid to have a county deal for Nottinghamshire. The Council has been a founder shareholder of East Midlands DevCo.</p> <p>The council has played an active part in receiving asylum seekers and refugees and has put in place a refugee and asylum seekers steering group.</p> <p>The Council has played an active role in supporting the local community through cost of living pressures, introducing measures such as increasing the number tenancy sustainment officers; Careful use of household support funding; working with partners to run roadshows offering help and advice to the public in managing debt and making warm spaces available supported by Council grants.</p> <p>Issues identified within Domestic Homicide Reviews and Serious Case Reviews are discussed both countywide and locally to ensure the Council's responses are appropriate.</p>
<p>The Council is pro-active in identifying threats and risks to safety and works in partnership to mitigate these</p>	<p>Work within the South Nottinghamshire Community Safety partnership develops and implements action plans to tackle safety risks such as the Violence Action Plan; Eastwood Action plan, Broxtowe Crime Reduction Action Plan, ASB action plan, domestic violence action plan. Safety was improved in Eastwood with £192,000 of investment from the Safer Streets Programme and across the Borough with £25,000 from the Police and Crime Commissioner.</p> <p>New statutory duties such as the serious violence duty have been taken on board and the Council is represented on the County's serious violence reduction board and has developed a serious</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
	violence strategy. A new Violence against Women and Girls Strategy was approved.
The Council works with outside experts as well as internal and external stakeholders to identify potential better ways of delivering services	<p>Examples where external experts have added value to our efforts in 2022/23 include:</p> <ul style="list-style-type: none"> • LGA peer review in Dec 2022 • New asset management plan procured through external consultancy • Interim external expertise received to address housing repairs improvement • Interim external expertise employed to implement housebuilding plans. Internal expertise was secured towards the end of the year • EMDevco employed external expertise to develop an investable proposition for land at Toton, paid for by funds secured from government • External challenge to LLeisure's operating model produced a list of potential improvements to save cost and increase income • External consultancy support to develop LUF bids for Kimberley and Eastwood during the year • External consultants support to implement Stapleford towns fund projects Broxtowe local strategic partnership • Greater Nottingham joint planning advisory board • South Nottinghamshire community safety partnership • Nottinghamshire economic prosperity committee • Nottinghamshire health and wellbeing board • Safer Notts Board • Notts Water Safety partnership • Notts hate crime partnership • Notts adult safeguarding board • Notts Substance Misuse Partnership • Notts Domestic Abuse Partnership • Notts Serious Organised Crime Board • Notts ASB Taskforce • Notts Child Sexual Exploitation Network • Notts Violence Reduction Partnership

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
	<ul style="list-style-type: none">• Notts Suicide Prevention Network• Notts PREVENT Board• Notts Safeguarding Assurance and Development Group• Serious Violence Reduction Board

Opportunities for Further Improvement:

Set up a Housing Improvement Board and deliver a programme of improvements relating to the housing service

E. Developing the entity's capacity including the capability of its leadership and the individuals within it

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
The structure and cost of service delivery is continually reviewed.	Structure reviews took place within Legal and Democratic Services, Administrative Services, Housing Repairs, Housing Services and Strategy.
The Council enhances its capacity, increases resilience and broadens access to skills Through sharing a range of services with neighbouring authorities	<p>The Council works with Erewash BC through a joint committee to run a crematorium and burials service and Erewash BC runs its Building control service</p> <p>The Council has a partnership with Ashfield DC regarding collection of Business rates.</p> <p>The Council works in partnership with Newark and Sherwood, Ashfield on surveillance camera management and Rushcliffe on car parking.</p> <p>Strategic planning is done collaboratively with other Greater Nottingham authorities; evidence base is jointly commissioned and staff employed jointly to administer tasks</p> <p>Broxtowe assists Erewash BC with internal audit services</p>
As much as identifying ways of reducing expenditure the Council is also prepared to invest in additional capacity to respond to changing needs of residents/customers, enhance knowledge and insight and improve the quality and cost effectiveness of service delivery	<p>Examples include:</p> <ul style="list-style-type: none"> • A senior environmental health officer was employed through an agency to “catch up” the food safety inspection programme post COVID. This has been achieved. • An additional private sector housing officer was appointed to address a backlog of DFG applications and ensure prompt spending of funds. • A new climate change officer post was created to accelerate efforts to implement the Council’s decarbonisation plans • The Council agreed to invest £70,000 in commissioning jointly across Notts work to progress sustainable heat networks. • Additional investment was made in electric vehicles
Business and financial performance is regularly scrutinised by all committees	See section C above for details
Committees consider a range of data including benchmarking data to assess the quality of Council services	The Cabinet receive information on the results of Housemark benchmarking data. The Council uses the LGInform website as a data comparison tool. External consultants also produce feedback on performance comparisons with peers from time to time.

Opportunities for Further improvement:

Develop a new strategy for people management, organisational development and workforce capacity

F. Managing risks and performance through robust internal control and strong public financial management

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
The Council integrates risk management approaches into its performance management arrangements	A Governance Risk and Compliance Action Plan has been developed which integrates action planning arising from the need to improve governance (actions identified through the SOLACE/CIPFA review); risk management mitigation actions identified through the Strategic Risk Register and compliance with the law - both current and future.
<p>The Council has a Strategic Risk Management Group that reports to GMT. The Governance, Audit and Standards Committee regularly consider and approve updates to the Strategic Risk Register. All key decision reports submitted to committees contain a risk assessment where appropriate, which is used to update the Strategic Risk Register. All action points within business plans are required to be risk assessed. The Governance, Audit and Standards Committee has oversight and decision making responsibility for determining:</p> <ul style="list-style-type: none"> • Internal Audit Plan and progress made with the plan • implementation of audit recommendations • Strategic Risk Register <p>Risk management training is occasionally provided. An eLearning module is available to enable members to access training on risk management whenever convenient to them.</p>	<p>Regular updates on strategic risks were presented to the Governance, Audit and Standards Committee throughout 2022/23.</p> <p>The Strategic Risk Register is also a key element used in preparing the annual Internal Audit Plan. This helps to ensure that resources are targeted towards those areas which are the highest risk to the Council.</p>
Members of the Governance, Audit and Standards Committee can have independent access to the Chief Audit and Control Officer where considered to be necessary. The Chief Audit and Control Officer is satisfied that	The results of the most recent External Quality Assessment of the effectiveness of Internal Audit are to be considered by the Governance, Audit and Standards Committee as part of the Annual Review in July 2023. This review was conducted by an experienced and independent assessor. The outcome of this review was positive and indicated

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
<p>in all respects he has the necessary authority and resources to assess the Council's governance, risk and internal control environment and highlight any problems that he considers should be drawn to the attention of the Council</p>	<p>that Council's Internal Audit service generally complies with the expectations of the Public Sector Internal Audit Standards. This provides the Council with confidence in the assurance work that is provided by Internal Audit. Furthermore, the outcome of the review was benchmarked against other providers in both the sector and the wider industry and this showed that the team compares favourably in comparison with its peers. Whilst the review did identify a handful of recommendations, these were made in order to further improve existing arrangements rather than to correct any potential deficiencies.</p>
<p>The Safety Committee and Civil Contingencies Planning Group, chaired by the Chief Executive and comprising relevant senior officers, consider and develop plans to mitigate risks arising in workplace settings, or threats from flooding, major emergency events or risks to health</p>	<p>The internal Health and Safety committee and Civil Contingencies committees steer the Council's implementation of key strategies including the Emergency Plan; Flu Pandemic Plan; Flooding Response Plan and a COVID-19 response Plan. An annual health and safety report was presented to Committee. Quarterly aggression at work reports are produced to GMT updating Managers on the experience of front line staff in delivering services.</p>
<p>A corporate Business Continuity Plan seeks to mitigate the effects of a potential disruption to services so that the impact of such a disruption is minimised and services restored to an acceptable level within pre-set timescales. The Business Continuity Plan is reviewed by the Strategic Risk Management Group. Departmental business continuity plans also exist</p>	<p>The Corporate Business Continuity Plan and associated departmental plans are held centrally. These plans have been reviewed and updated in 2022/23.</p> <p>During the year all business continuity plans were reviewed and updated.</p>
<p>The Fraud and Corruption Prevention Policy Statement is that the Council takes a zero-tolerance approach to fraud and corruption.</p> <p>The Council is committed to establishing a strong anti-fraud/ corruption culture and will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts. Any</p>	<p>The Fraud and Corruption Prevention Policy and Money Laundering Prevention Policy were approved by the Governance, Audit and Standards Committee in March 2017. An annual report relating to fraud and corruption prevention activity and a fraud risk assessment is submitted to the Governance, Audit and Standards Committee, the latest being in September 2022. The delivery of the action plan helps to further strengthen the arrangements in place.</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
<p>indications of potential benefits fraud are forwarded to SFIS for investigation.</p> <p>The Council has processes in place which help to identify and tackle fraud. An analysis of residual non-benefits related fraud investigation requirements was undertaken prior to the transfer which identified no substantial areas of immediate concern for the Council other than that which can normally be addressed as part of the work of Internal Audit</p>	<p>Data matching exercises are regularly undertaken in conjunction with the National Fraud Initiative (NFI) through the Cabinet Office. In addition, a Single Person Discount review is currently being undertaken jointly across the Nottinghamshire authorities.</p> <p>A proactive approach has been undertaken by introducing the Fraud and Error Reduction Incentive Scheme (FERIS) approach and a risk-based assessment framework for benefits applications, including the Local Council Tax Support Scheme, for which the Council remains fully accountable.</p>
<p>Chief Officers are required to prepare an annual statement of compliance with internal control stating compliance with the law and approved policy</p>	<p>An annual Statement of Internal Control has been prepared by each Chief Officer</p>
<p>The Council has information governance arrangements in place including safe collection, storage, use and sharing of data. A suite of online information management products has been developed and are required to be completed by employees at various levels.</p>	<p>Comprehensive Information Management Policies are in place.</p> <p>The Council has a full time dedicated Information Governance Officer</p> <p>An online Data Protection Act 2018 employee training product was completed by all employees.</p> <p>An annual SIRO audit is conducted and the results reported to GMT</p>
<p>The Council is proactive in tackling threats to performance (e.g. income management)</p>	<p>Regular quarterly reports on service performance and financial performance are produced. Areas of underperformance are highlighted and improvements recommended.</p>
<p>The Council welcomes external agencies to give us feedback on our performance and responds positively to suggestions for improvement</p>	<p>The occasional use of external consultants for specific areas of focus provides an independent and expert view of the council's current activities and potential for improvement.</p>

Opportunities for Further Improvement:

Review and update financial procedure rules

Review and update contract procedure rules

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2022/23
The Council complies with its obligation to produce a Publication Scheme	The Publication Scheme is on the Council's website and is regularly reviewed.
The Council publishes data in a transparent way which is accessible through the website	There is an open data section on the Council's website.
The Council reports annually on performance and financial stewardship through a newsletter which goes to every household in Broxtowe	A review of the General Fund and Capital Programme was included in Broxtowe matters.
A Governance, Risk and Compliance Action Plan is produced which incorporates governance improvements identified as a result of the annual governance check	The status of the previously agreed action plan is outlined in appendix 3 below.
Internal Audit and External Auditor recommendations are acted upon	Reports are regularly made to Governance, Audit and Standards Committee on progress in implementing agreed actions following an Internal Audit.
The Council welcomes peer challenge and other forms of external review of service delivery	An LGA peer review took place in December 2022, the consequent Action Plan arising from the review was approved by Cabinet on 14 March 2023.

Conclusion

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the organisation who have responsibility for the development and maintenance of the governance environment, the Chief Audit and Control Officer's annual report and also by comments made by the external auditors and other review agencies and inspectorates, such as the LGA Peer Review.

The operation of the Governance Framework during 2022/23 has provided the Council with **substantial assurance** that proper practices are in place governing the conduct of the Council's business. Additional improvement actions have been identified through the annual review of the standard and are included in the new Governance Risk and Compliance Action Plan.

Implementation of the governance related actions specified in the attached action plan will help to ensure that the Council's governance arrangements continue to improve and be fit for purpose in accordance with the governance framework.

GOVERNANCE RISK AND COMPLIANCE ACTION PLAN

Governance Risk & Compliance Action Plan 2022/23

Action	Lead Officer	Status	Date	Progress
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Member training on the new Code of Conduct	Monitoring Officer		2022	The new Member Code of Conduct was approved on 13 April 2022 and came into effect on 11 May 2022. Training for the Parish and Town Councils was delivered on 6 and 18 May 2022 and a further two sessions on 28 September 2022. Borough Member training was delivered on 2, 3 and 8 November 2022 and a number of individual sessions have been delivered to Members throughout the year.
Member training on the new constitution	Monitoring Officer		July 2022	The Cabinet and Strong Leader governance arrangement were adopted on 11 May 2022 and Member training on the new arrangements was delivered on 6 and 7 April 2022 and prior to the first meeting of Overview and Scrutiny 7 July 2022.
Introduce the new Governance arrangements, including a new Overview and Scrutiny Committee	Monitoring Officer		May 2022	The Cabinet and Strong Leader governance arrangement were adopted on 11 May 2022, which included a new Overview and Scrutiny Committee.

Action	Lead Officer	Status	Date	Progress
B. Ensuring openness and comprehensive stakeholder engagement				
Produce a new communication and engagement strategy	Executive Director		February 2023	Adopted by Cabinet on 7 February 2023
Review mechanisms for community engagement	Executive Director		March 2023	New arrangements for the Council newsletter were adopted at Cabinet 14 March 2023. The arrangements include a focus on digital with budget set aside to address hard to reach groups. Other work including enhanced stakeholder mapping will be used to assist engagement arrangements.
C. Defining outcomes in terms of sustainable economic, social and environmental benefits				
Review the green infrastructure strategy	Head of Environment			The review is underway with a report to Cabinet in the forward plan for December 2023
Revise the existing Waste Strategy to incorporate the requirements of the Environment Act	Head of Environment			Many aspects of the Environment Act are still being determined by Central Government. A revised Waste Strategy is on the Cabinet forward plan for June / July 2023 to reflect the changes that are currently known.

Action	Lead Officer	Status	Date	Progress
D. Determining the interventions necessary to optimise the achievement of the intended outcomes				
Produce a new economic regeneration strategy	Head of Planning and Economic Development		July 2022	Strategy outline approved by Cabinet 19 July 2022
Continue the review of the greater Nottingham Core strategy	Head of Planning and Economic Development			Progress made. Issues and options considered and approved by Councillors
Review and adopt a new SPD on Toton area of strategic growth	Head of Planning and Economic Development		February 2023	Adopted by Cabinet 7 February 2023
Progress neighbourhood plans	Head of Planning and Economic Development			Neighbourhood plans continue to progress. Progress reports have been made on a regular basis to cabinet.

Action	Lead Officer	Status	Date	Progress
E. Developing the entity’s capacity including the capability of its leadership and the individuals within it				
Systematic review of Health and Safety Policies	Executive Director			Policy reviews have taken place for: <ul style="list-style-type: none"> • Risk assessment policy • Code of practice for assessment and issue of Personal Protective equipment (PPE) • Risk assessment for PPE • Code of practice for collection and disposal of hypodermic syringes • Code of practice for disposal for clinical waste • Code of practice and safe working practice for use and storage of compressed gas cylinders • Code of practice for excavation work (non-graves) • Code of practice and safe working practice for grave digging and preparation • Code of practice on safe working at height • Code of practice for provision and use of electrical equipment • Code of practice for the management of hand arm vibration syndrome • Personal emergency evacuation plans (PEEPs) • Drug and alcohol testing policy

Action	Lead Officer	Status	Date	Progress
Play an active part in the bid for a County deal for Nottinghamshire	Chief Executive			The council has engaged actively with the devolution process, making regular reports to cabinet. Proposals for devolution were supported unanimously by Councillors
Complete improvement plans for Customer services and Housing repairs	Chief Executive		December 2022	The Customer Services Strategy was approved at Cabinet (December 2022), and provides the platform for a range of actions to improve Customer Services performance. This includes how we interact with customers, further improving staff skills and capabilities, and investing in technology. Improvements to housing repairs continued with approval for investment in new diagnostic software; the implementation of a new housing contact centre; and a review of the structure of the housing repairs team. The improvement journey will continue under the new Housing improvement board
F. Managing risks and performance through robust internal control and strong public financial management				
Update the Business strategy and MTFS in 2022/23	Deputy Chief Executive		October 2022	Approved at cabinet 4 October 2022 (Business Strategy)
Submit levelling up bids for Eastwood and Kimberley	Chief Executive			Both bids approved by Cabinet and submitted to the government as per the timetable for levelling up bids

Action	Lead Officer	Status	Date	Progress
Continuance of cyber-fitness activity	Executive Director			During 2022/23 cyber security training was delivered to the Senior Management Team.
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability				
Participate in an LGA Peer review	Chief Executive, Deputy Chief Executive		December 2022	This took place in the first week of December 22. The outcome was reported to Cabinet on 14 March 23 and an improvement action plan approved.

DRAFT ANNUAL GOVERNANCE STATEMENT

1. What are the Council’s Governance Arrangements?

1.1. Corporate Values

The Council’s governance arrangements are reflected in our corporate values which are:

- Integrity and professional competence
- A strong caring focus on the needs of communities
- Continuous improvement and delivering value for money
- Valuing employees and enabling the active involvement of everyone
- Innovation and readiness for change.

1.2. Competency Framework and Employee Performance Appraisal

These values are consistent with the SOLACE/CIPFA governance code and act as the basis for the Council’s competency framework and the assessment of individual employee performance appraisal.

1.3. The Constitution, Standing Orders and Delegated Authority

The Council’s Constitution sets out the roles of members and officers and the terms of reference of the Council’s committees. Officer’s delegated powers to take decisions are set out in this document, as are the protocols and codes of conduct regulating the way employees and members should behave and relate to each other, and how debate is conducted at Council meetings. Limits of financial expenditure are set out in standing orders and in standing orders relating to contracts.

The main checks and balances on the respective power of officers and members is summarised in the table below. The table provides some of the key ways in which officers and members are held accountable to local residents.

Officer checks /balances	Member checks/balances	Accountability to residents
<ul style="list-style-type: none"> • Officer delegations within Constitution • Pay Policy underpinned by Job evaluation policy • Disciplinary Policy • Employee Code of Conduct 	<ul style="list-style-type: none"> • Elections • Independent Remuneration Panel • Members Allowances scheme • Governance Audit and Standards Committee 	<ul style="list-style-type: none"> • Broxtowe Matters Annual Report • Public Questions at Council Meetings • Petitions at Council Meetings • Community Trigger for Anti-social Behaviour

Officer checks/balances	Member checks/balances	Accountability to residents
<ul style="list-style-type: none"> • Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Executive Director • Financial standing orders within constitution • Contract standing orders within constitution • Fraud Prevention Policy • Treasury Management policy • Business Continuity Plans • Whistleblowing Policy • Strategic Risk Register • Risk Management Policy • Health & Safety Policy; Procedures; Health & Safety Group • Information Management Arrangements • Staff engagement exercises • Complaints and compliments procedure • Licensing and Appeals Committee (employment and grievance appeals) • Statement of Internal Control (SIC) 	<ul style="list-style-type: none"> • Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Executive Director • Questions to Committee chairs at Council meetings • Member code of conduct • Reports at Council by Members of Outside Bodies at Council meetings • Ward Member reports at Council meetings • Public Consultations • Register of Members Interests • Community Action Team Meetings • Declaration of interests at all meetings • Protocol for Councillor/Officer Relationships 	<ul style="list-style-type: none"> • Communications strategy 2018-21 • Open Data • Transparency framework • Publication scheme • Publication of Committee decisions • Tenant and Leaseholder Matters • Broxtowe Parks Standard • Public satisfaction surveys • External audit annual letter to Governance at Audit committee • Internal and external audit progress reports at Governance and Audit Committee • Periodic external inspections e.g. EFLG/IIP/IIE/LGA • Peer review • Benchmarking through APSE/CIPFA/SOCITIM/ Housemark • Finance Data online • Licensing and Appeals Committee (Taxi, alcohol, licensing matters) • Commenting on Planning applications and speaking to Planning Committee

1.4. Corporate Plan and Business Plans

The Council's Corporate Plan sets out the Council's Vision and Priorities. The vision is "Broxtowe- a greener, safer healthier place where everyone prospers".

The priorities are succinctly expressed:

- Housing:** A good quality home for everyone
- Environment:** Protect the environment for the future
- Business:** Invest in our towns and our people
- Health:** Support people to live well
- Community safety:** A safe place for everyone

Each priority has objectives which are set out in the plan and specific measurable outcome measures, in year 2 of the plan (2021/22) and at year 4.

1.5. Strategy and Policy Framework

Within each priority area, a range of strategies and policies are devised to guide the decision making of officers and members. These are approved by the respective committees (see below) apart from those which are reserved for full Council for determination.

1.6. Decision-making Structures

The Council has adopted a committee system, which means that all the political parties are represented within the decision making committees. Neither the Leader of the Council or the Chairs of Committees have executive power, which enables decision making to take place in a democratic fashion with scrutiny taking place as part and parcel of decision making. The Council may set up task and finish or working group arrangements to come forward with proposals for policy development or on topics which members consider require further investigation and enquiry.

- Full Council decides upon policy and certain other specialist functions that cannot be delegated elsewhere, including the setting of the Council Tax.
- The Policy and Performance Committee, which includes the Chairs of all other policy committees, has overall responsibility for developing and delivering policies of the Council and monitoring progress against the objectives of the Corporate Plan.
- The Finance and Resources Committee has responsibility for reviewing the Council's budget and financial management and makes recommendations to Council with regard to the setting of Council Tax.
- Committees mirror the Council's main priority themes of Community Safety; Housing, Jobs and Economy, and Leisure and Health, Environment. These are allocated authority by the Council to develop and deliver policy within their specific remit set out in the constitution.
- Separate quasi-judicial committees exist for Planning, Licensing and Appeals, Alcohol and Entertainments.

- A specific committee exists for personnel decisions and policies.
- Matters relating to governance and standards are dealt with by the Governance, Audit and Standards Committee. The role of this committee is particularly relevant to the operation of the SOLACE/CIPFA code and is set out in more detail below:

Role of the Governance, Audit and Standards Committee

The role and operation of the Governance, Audit and Standards Committee is in line with a toolkit and publication produced by CIPFA entitled Audit Committees – Practical Guidance for Local Authorities.

The specific functions delegated to this Committee are provided in its Terms of Reference which include:

- To determine attendance of members at conferences.
- To determine responses on behalf of the Council to any government, local authority or other consultation on matters within the remit of the Committee.
- The functions conferred in relation to standards of conduct by the Local Government Act 2000, the Localism Act 2011 and associated legislation.
- Without prejudice to the generality of the foregoing:
 - promoting and maintaining high standards of conduct for all members and officers
 - preparing for adoption or revision by the Council policies and codes of conduct for members, co-opted members and officers
 - monitoring the operation of the codes of conduct
 - granting dispensations to members (including co-opted members) from requirements relating to interests set out in the Members' Code of Conduct
 - advising and training members, co-opted members and officers on matters relating to conduct
 - undertaking the same duties as detailed above in respect of parish or town Councils within the Council's area
 - considering, determining and dealing with matters referred by the Monitoring Officer
 - considering, determining and dealing with matters referred by the Chief Executive or Monitoring Officer under the Council's Whistleblowing Policy
 - monitoring the complaints made against the Council including those made via the Ombudsman service
 - assessing (and reviewing if appropriate) all complaints made in respect of breaches of the Members' Code of Conduct.
- The Committee will:
 - To oversee the arrangements for the maintenance of the Council's internal control environment
 - To monitor and make recommendations regarding the Council's corporate governance arrangements including the appointment of the external auditor

- Consider ways of achieving reductions in ongoing financial commitments through a review of essential and desirable services and service levels.
- Identify opportunities for future income generation and cost savings.
- Examine further procurement and collaborative working opportunities with the private sector and other local authorities.
- Consider the Council's published financial accounts and associated documents, including the Annual Governance Statement, and give approval to them when satisfied;
- Review the work of the internal audit section including the approval of an audit strategy and annual audit plans;
- Consider significant issues arising from internal audit reviews, make recommendations accordingly and monitor management's response;
- Receive reports from the Council's external auditors, the Council's internal auditor and from any inspection agencies and monitor action in response to any issues raised;
- Oversee the effectiveness of the Council's risk management procedures, the control environment and associated fraud and anti-corruption arrangements including the approval of amendments to the strategic risk register and associated action plans;
- Monitor and review the Council's business continuity arrangements;
- Consider the Council's arrangements for corporate governance and recommend necessary action to maintain best practice and to comply with the code of corporate governance;
- Determine the discretionary elements of both national and local conditions of service;
- Determine employment and health and safety policies;
- The power to make payments or provide other benefits in cases of maladministration (section 92 Local Government Act 2000);
- To receive reports directly from the Chief Internal Auditor as and when he/she thinks fit;
- To receive reports directly from the Council's external auditors as and when appropriate.
- The Committee may appoint Panels comprising of a proportionate combination of three or five members of the main Committee.
- To determine responses on behalf of the Council to any government, local authority or other consultation on matters within the remit of the Committee.
- Consider in detail polling district boundaries for the Borough Council's administrative area and any necessary changes to ensure that:
 - electors have such reasonable facilities for voting as are practicable in the circumstances.
 - as far as is reasonable and practicable, that polling places are accessible to all electors, including those who are disabled, and when designating a polling place, have regard to the accessibility needs of disabled persons.
- Consider polling places for the Borough Council's administrative area.
- Consider the warding arrangements for Broxtowe to ensure electoral equality in all areas.

- Consider the boundaries of parish Councils in the Borough and warding arrangements in those areas, if appropriate.
- Consider the names of Borough Council and parish Council wards.

Two joint committees exist – the Economic Prosperity, which consists of the Leaders of all Councils in Nottinghamshire to consider countywide development matters; and the Bramcote Bereavement Service Joint Committee which oversees the operation of Bramcote Crematorium, which is jointly owned with Erewash Borough Council.

Two internal committees recommend changes to employee policy pay and conditions – the Local Joint Consultative Committee which considers employee related matters and the Independent Remuneration Panel, which considers matters relating to the remuneration of members. The Independent Remuneration Panel reviewed members' allowances in January 2021 and decided on a further in-depth review due to the increase in the number of committees at the Council.

The Panel recommended no increase in the allowance in-line with the employee pay award. Full Council received the report of the Panel's findings on 3 March 2021 and accepted the recommendation.

Delegation arrangements to officers are set out in detail within the Constitution. In order to ensure that decisions are made in compliance with the law and approved policy, Chief Officers are charged with responsibility for the operation of controls within their areas of responsibility and for statutory functions as necessary. They make an annual declaration of compliance through the annual statement of internal control.

Regular meetings take place between relevant senior officers and members of the Council to discuss and propose policy.

The Constitution also includes sections on the conduct of meetings, Financial Regulations, Financial Regulations (Contracts) and Codes of Conduct for members and officers.

- 1.7. The Council established a wholly owned leisure services company, Liberty Leisure Limited, from October 2016. These arrangements have delivered cost reductions and increased income though the company operating as a commercial entity and opportunities to better fulfil the Council's aims through increased flexibility in day-to-day operations.

Full control of the company is maintained by the Council through the governance arrangements that are in place, with the Leisure and Environment Committee maintaining an oversight of the company. Liberty Leisure Limited has continued to provide a wide range of leisure and cultural activities and generates a surplus trading position.

- 1.8. A Shared Services Board, chaired by the Chief Executive, meets regularly to keep shared service arrangements under review.

1.9. Strategies, Policies and Business Plans

The Council has a suite of strategies, policies and business plans which mirror its corporate priority themes and ensures that service delivery follows a clearly set out, politically approved and strategically led approach.

1.10. Electoral Arrangements

There were no elections during 2020/21 on account of the pandemic.

1.11. Statutory Officers

The Council's statutory officers are the Chief Executive (as the 'Head of Paid Service'), the Deputy Chief Executive (as the 'Section 151 Officer') and the Interim Monitoring Officer. All three officers are members of the General Management Team (GMT) and have the authority to place reports in front of an appropriate member body where an aspect of concern and within their statutory remit comes to their attention.

In particular, they are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

Regular discussions are held at weekly meetings of the General Management Team (GMT) about issues where governance is of concern and periodically a specific discussion takes place to identify areas of concern on the horizon, whether these may arise from such as legislative changes, changing service demands, political matters or financial problems, risk assessment that has been undertaken and any changes in the risk environment in which the Council is operating, and matters to be reported to future committees.

The Deputy Chief Executive is the appointed Section 151 Officer and is a key member of GMT. Being part of GMT, together with meeting with leading members and attending full Council, Policy and Performance Committee, Finance and Resources Committee and other appropriate committees, as required, ensures that the Section 151 Officer can provide corporate financial advice to the Council at the appropriate level and that financial implications and risks are properly taken into account.

All reports to decision making committees incorporate a statement on financial implications where appropriate which are subject to review by the Section 151 Officer and the Head of Finance Services. As such the Council's financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Section 151 Officer's responsibilities include ensuring that GMT and senior members are made aware of any financial issues at the earliest opportunity and making sure that these are acted upon as appropriate.

The Interim Monitoring Officer also attends GMT. Part of their responsibilities include ensuring that any legislative changes are known about and implemented as appropriate, together with monitoring that the Council does not act unlawfully.

Chief Officers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Each Chief Officer signs a Statement of Internal Control to acknowledge responsibility in maintaining and operating functions in accordance with the Council's procedures and practices that uphold the internal control and assurance framework.

In 2020/21 the Statements of Internal Control were reviewed to determine whether any further strengthening of the control environment can be achieved. Any areas identified have been addressed or are part of ongoing development of increased controls to be implemented during 2021/22.

1.12. Internal Audit

The Chief Audit and Control Officer is the Council's designated 'Head of Internal Audit' and is under the management of the Deputy Chief Executive. Whilst the Chief Audit and Control Officer is not a member of GMT, in all other respects the role is in accordance with guidance as laid down in the Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit, including their attendance at the Governance, Audit and Standards Committee and presenting reports in their own name.

The Chief Audit and Control Officer is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service specific standards in place. As reported to the Governance, Audit and Standards Committee on 20 July 2020, he has undertaken such a review and concluded that, in his opinion, "the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework".

The Internal Audit Charter covers all activities of the Council at a level and frequency determined using a risk management methodology. The approach is designed to be risk-based so that it can focus resources on the key areas of risk facing the Council. The current arrangements include sharing Internal Audit management resources with Erewash Borough Council.

In advance of each financial year the Governance, Audit and Standards Committee is responsible for approving the Internal Audit Plan that governs each year's activity. Upon completion of each audit assignment, a report is produced for management with agreed actions for improvement. Regular progress reports on Internal Audit activity are submitted to the Governance, Audit and Standards Committee for scrutiny. This Committee can request further reviews to be undertaken and can request other committees to further investigate matters arising from any activities within their remit.

1.13. External Audit

The external auditor reviews the Council's arrangements for:

- preparing accounts in compliance with statutory and other relevant requirements
- ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- securing economy, efficiency and effectiveness.

The external auditor gives their opinion on the Council's accounts and whether or not proper arrangements exist to secure value for money.

The Council continues to examine the use of its financial systems to help produce information for financial management, the capacity of the Finance Services teams and the financial reporting processes used to advise Members during the course of the year.

1.14. Fraud and Corruption

The Department of Work and Pensions (DWP) established a Single Fraud Investigation Service (SFIS) to manage benefit fraud investigation on a national basis. Officers employed by the Council to investigate benefit fraud transferred to SFIS in November 2015.

The Chief Audit and Control Officer is the central contact for non-benefit fraud allegations. The role of Internal Audit has been extended to act as a co-ordinating and investigating service for all non-benefit related fraud and corruption reports and to manage the Council's response to such reports. Internal Audit is supported in this by procuring specialist fraud investigation services as required from local partners, including Erewash Borough Council.

1.15. Partnerships

The Governance, Audit and Standards Committee has the responsibility to examine further procurement and collaborative working opportunities with the private sector and other local authorities. All of the policy committees have included in their remit the power to direct the work of any delivery vehicles established to deliver services within their remit. This may include partnership arrangements, including those with the voluntary and community sector. Where grants are provided to voluntary sector organisations, conditions are applied regarding the reporting of the activities of the grant receiving body and its financial standing. In particular, where grant funding exceeds a given value a service level agreement may be used to gain assurance over the use of funds.

Significant Governance Issues – Action Plan

We propose over the coming year to take steps to address the matters listed as “opportunities for improvement” to further enhance our governance arrangements. We

are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

We propose over the coming year to take steps to address the matters listed as “opportunities for improvement” to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Action
Induction training for new Councillors on code of conduct
Relaunch and refresh membership of a forum led by people with disabilities
Review citizen engagement arrangements
Develop a new Corporate Plan
Develop a new strategy for climate change
Develop a new strategy for economic development and Regeneration
Set up a Housing Improvement Board and deliver a programme of improvements relating to the housing service
Develop a new strategy for people management, organisational development and workforce capacity
Review and update financial procedure rules
Review and update contract procedure rules

**Leader of the Council
Broxtowe Borough Council**

**R Hyde
Chief Executive
Broxtowe Borough Council**

This page is intentionally left blank

Report of the Deputy Chief Executive

AUDIT OF ACCOUNTS 2021/22 UPDATE1. Purpose of report

To note a delay in the conclusion of the audit of the Council's Statement of Accounts for 2021/22.

2. Recommendation

The Committee is asked to NOTE the latest position in respect of the audit of the Statement of Accounts 2021/22.

3. Detail

Further to earlier updates, the Council's appointed external auditors, Mazars, had almost concluded their work on the Statement of Accounts 2021/22 such that it was able to present its Audit Completion Report to this Committee on 13 March 2023. Members were pleased to note that Mazars anticipated issuing an unqualified audit opinion on the 2021/22 accounts.

As a result, Members duly resolved that the updated Statement of Accounts 2021/22 and letter of representation as circulated be approved; and delegation be given to the Deputy Chief Executive and Section 151 Officer, in consultation with the Chair of this Committee, to approve any further changes required to the Statement of Accounts 2021/22.

Whilst the audit was effectively concluded shortly afterwards, officers have since been frustrated by a further delay relating to an external issue outside of the Council's control. This involved the Local Government Pension Scheme and the basis of valuation included in the Council's accounts as covered by the International Accounting Standard (IAS 19) on 'Employee Benefits'. The extended duration of the audit means that the basis of valuation used in the accounts may need to be updated following the outcome of the 2022 triennial valuation exercise. If updated valuation data is obtained and included in the accounts, Mazars will need additional assurance over any updated information.

As such, the Mazars' technical team have put a pause on the signing of 2021/22 accounts until the issue is resolved. Further commentary has been provided by the auditors in the appendix.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no direct financial implications arising from this report.

5. Legal Implications

The comments from the Head of Legal Services and Deputy Monitoring Officer were as follows:

The legislation, the Accounts and Audit Regulations (2015) and the Accounts and Audit (Amendment) Regulations 2022, sets out the timescales for the production of the Council's accounts, including the dates of the public inspection period. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Deputy Chief Executive) has the responsibility for the administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts is that upon which the auditor should enter his certificate and opinion which is prepared under the Local Government Finance Act 2003.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Data Protection Compliance Implications

There are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. Background Papers

Nil.

APPENDIX

AUDIT OF ACCOUNTS 2021/22 – UPDATE FROM MAZARS**Local Government Pension Scheme and Valuation Basis**Accounting Issue

The Council's financial statements for the year ending 31 March 2022 includes a pension material liability based on an IAS 19 valuation report. A roll-forward methodology is applied where the actuary bases the IAS 19 valuation reports on data taken at the triennial valuation rolled-forward for changes in key data, asset values and actuarial assumptions. As such, the IAS 19 valuation reports for employers as at 31 March 2022 are based on membership data obtained for the 2019 triennial valuation, rolled-forward for significant movements.

Each Local Government Pension Fund undertakes a triennial valuation exercise and is under a statutory duty to publish the valuation report by 31 March 2023 in respect of the 2022 valuation. The 2022 triennial valuation is based on information as at 31 March 2022 with one of the key data inputs being membership data as at that date.

The Code of Practice on Local Authority Accounting (the 'Code') provision in respect of accounting estimates and events after the reporting period are in line with IAS 8 and IAS 10 respectively.

Because the 2022 triennial valuation is based on information as at 31 March 2022 that can have a material impact on the actuarial valuation as at the reporting date for all relevant local authorities, the actual data as at 31 March 2022 may be more accurate than rolling forward the 2019 valuation data. It is therefore an accounting issue for the Council to resolve.

Audit implications

Mazars need to understand if the estimate remains reasonable and materially correct:

- 1) Mazars must consider the accounting estimate in line with the requirements of ISA (UK) 540 Auditing Accounting Estimates and Related Disclosures which requires the auditor, amongst other things, to assess whether the method selected is appropriate in the context of the applicable financial reporting framework; the data used in making the estimate is appropriate in the context of the applicable financial reporting framework and is relevant and reliable; and when making an overall evaluation based on the procedures performed, the estimate are reasonable in the context of the applicable financial reporting framework.

If an updated IAS 19 report is obtained, Mazars will need additional assurance over any updated information.

- 2) In order to obtain assurance over the data used in the triennial review, employer auditors request work to be undertaken over its completeness and accuracy by the auditor of the Fund. This work is usually done in July following the publication of the triennial report. So for the 2022 report this work would be carried out in July 2023 in a normal year.

Current Position

Mazars' technical team have put a pause on the signing of 2021/22 accounts until the issue is resolved. A working group has been set up involving the National Audit Office (NAO), the Chartered Institute of Public, Finance and Accountancy (CIPFA) and all audit suppliers. The issue has also been taken to the Financial Reporting Council (FRC) too.

Report of the Chief Audit and Control Officer

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of Report

To inform the Committee of the recent work completed by Internal Audit.

2. Recommendation

The Committee is asked to NOTE appendices 1 and 2 of the report.

3. Detail

Under the Council's Constitution and as part of the overall corporate governance arrangements, this Committee is responsible for monitoring the performance of Internal Audit. A summary of the reports issued and progress against the agreed Internal Audit Plan is included at appendix 1. A summary narrative of the work completed by Internal Audit since the previous report to this Committee is also included.

Internal Audit has also reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits. Details of this follow-up work are included at appendix 2. Where agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

Further progress reports will be submitted to each future meeting of this Committee. A final report detailing the overall performance of Internal Audit for 2022-23 will be presented to this Committee in July 2023.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The work of the Internal Audit section continues to provide crucial and independent assurance to management and Members over the key aspects of the Council's governance, risk management and internal control arrangements. The cost of Internal Audit is included within the established Finance Services budgets.

5. Legal Implications

This report already sets out the legal framework for Internal Audit to provide a summary of Internal Audit work. It addresses the statutory obligations for local audit processes. The Local Government Act 1972 and subsequent legislation sets out a duty for the Council to make arrangements for the proper administration of

its financial affairs. This report also complies with the requirements of the following:

- Local Government Act 1972
- Accounts and Audit Regulations 2015
- CIPFA/IIA: Public Sector Internal Audit Standards (PSIAS)
- CIPFA/IIA: Local Government Application Note for the UK PSIAS 33.

The provision of an Internal Audit service is integral to financial management at the Council and assists in the discharge of its duties.

6. Human Resources Implications

Not Applicable.

7. Union Comments

Not Applicable.

8. Data Protection Compliance Implications

There are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an Equality Impact Assessment is not required.

10. Background Papers

Nil.

APPENDIX 1

INTERNAL AUDIT REPORTS ISSUED SINCE OCTOBER 2022

The following table summarises the audit assignments and similar work completed by Internal Audit between the 1 October 2022 and the date of submission of this report. Reports shaded in grey are those previously presented to this Committee (included here for reference) while work completed since the last report to this Committee is presented in bold at the end of the table.

Audit Title	Report Issued	Assurance Opinion	Actions (High Priority)	Actions (Medium / Low Priority)
Rents	24/10/22	Substantial	0	1
Business Rates (NDR)	24/10/22	Substantial	0	1
Financial Appraisals – TCRF Applicants	26/10/22	No cause for financial concern noted		
Financial Appraisal – CCTV Upgrade	26/10/22	No cause for financial concern noted		
'Green Homes' Grant Return	18/11/22	No issues noted – return submitted		
Payroll	01/12/22	Substantial	0	0
Human Resources	01/12/22	Reasonable	0	2
Financial Appraisals – TCRF Applicants	01/12/22	No cause for financial concern noted		
Stapleford Town Fund	15/12/22	Substantial	0	0
Financial Appraisal – Stapleford Cycling	20/12/22	No cause for financial concern noted		
Sundry Debtors	11/01/23	Substantial	0	0
Financial Appraisal – Chilwell Housing	13/01/23	No cause for financial concern noted		
Financial Appraisals – TCRF Applicants	26/01/23	No cause for financial concern noted		
Electrical Testing (Housing)	31/01/23	LIMITED	1	1
Financial Appraisal – Bramcote Housing	07/02/23	No cause for financial concern noted		
Gas Servicing & Maintenance (Housing)	09/02/23	Reasonable	0	1
Waste Management (Trade Waste)	09/02/23	Substantial	0	2
Financial Appraisal – STCRF Applicants	17/02/23	Advisory report only		
Financial Appraisal – Inham Nook Houses	20/02/23	Advisory report only		
Financial Appraisal – Prospective Tenant	20/02/23	Advisory report only		
Financial Appraisal – Park Attendants	28/02/23	Advisory report only		
Financial Appraisal – SCS Maintenance	03/03/23	Advisory report only		
Financial Appraisal – STCRF Applicants	08/03/23	Advisory report only		
Creditors and Purchasing	27/03/23	Reasonable	0	4
Financial Appraisal – Prospective Tenant	27/03/23	Advisory report only		
Business Support	30/03/23	Substantial	0	2
Financial Appraisal – STCRF Applicants	30/03/23	Advisory report only		
Key Financial Reconciliations	18/04/23	LIMITED	1	0

One additional audit has also been completed since the previous meeting of this Committee. Details of this are reported in the confidential appendix to this agenda.

REMAINING INTERNAL AUDIT PLAN 2023-24

Audit Title	Progress
Compliments and Complaints	In progress
Treasury Management	In progress
Former Council House Repurchasing	In progress
Right-to-Buy	In progress
Liberty Leisure Limited – Governance	In progress
Operational Risk Management (Depot)	In progress
Housing Lettings	In progress
Council Tax	In progress
Asset Management Strategy	Not yet commenced
Benefits	Not yet commenced
NNDR (Business Rates)	Not yet commenced
Chilwell Olympia	Not yet commenced
Corporate Communications	Not yet commenced
Damp and Mould	Not yet commenced
Emergency Planning	Not yet commenced
Financial Resilience	Not yet commenced
Housing Delivery Plan	Not yet commenced
Housing Repairs – Reactive	Not yet commenced
Human Resources	Not yet commenced
Kimberley ‘Levelling Up’	Not yet commenced
Legal Services	Not yet commenced
Leisure Management System	Not yet commenced
Local Elections	Not yet commenced
Payroll	Not yet commenced
Procurement	Not yet commenced
Rents	Not yet commenced
Section 106 Agreements	Not yet commenced
Shared Prosperity Fund	Not yet commenced
Sundry Debtors	Not yet commenced
Tenancy Management	Not yet commenced

Any significant issues identified in audits completed between the date of submission of this report and the date of this meeting of the Committee will be reported by way of a verbal update from the Chief Audit and Control Officer at this meeting.

COMPLETED AUDITS

A report is prepared for each audit assignment and issued to the relevant senior management at the conclusion of a review that will:

- include an overall opinion on the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the specific identified key risks relating to the area under audit. This opinion is categorised as either ‘Substantial’, ‘Reasonable’, ‘Limited’ or ‘Little’ assurance;

- identify inadequately addressed risks and ineffective control processes;
- detail the actions agreed with management and the timescales for completing those actions; and
- identify issues of good practice.

Recommendations made by Internal Audit are prioritised, with the agreed actions being categorised accordingly as follows:

- High Priority – Action considered necessary to avoid unmitigated exposure to significant risks
- Medium Priority – Action considered necessary to avoid unmitigated exposure to other key risks
- Low Priority (Best Practice) – Action recommended in order to improve existing procedures and other systems of internal control

The following audit reports have been issued with key findings as follows:

1. **Financial Appraisals** **Advisory Reports Only**

Internal Audit is frequently requested to provide financial appraisals of companies, non-incorporated businesses and other organisations as part of the Council's 'due diligence' processes prior to the commencement of any commercial or similar relationship with the organisation in question.

For each appraisal, Internal Audit provides a confidential report which summarises the results of a review of information provided by the organisation, information provided by third-party organisations (such as credit-referencing agencies and the National Anti-Fraud Network) and any other publicly available information.

2. **Creditors and Purchasing** **Assurance Opinion – Reasonable**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Payments may be made without authorisation and/or sufficient and appropriate evidence of receipt of goods or service.
- Invoices may not be paid in a timely manner.
- Credit notes received may not be processed in an appropriate and timely manner.
- Erroneous and/or fraudulent payments may not be identified.

- Roles and responsibilities may not be appropriately established or defined.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Four recommendations relating to the documentation and monitoring of changes to supplier bank details (medium priority), the completeness and accuracy of data entry (medium priority), the review of potential duplicate payments (best practice) and the review of system manuals and process documentation (best practice) were proposed by Internal Audit and agreed with management.

3. **Business Support** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Requests for service may not be processed in an adequate or timely manner.
- Adherence to relevant policy and procedure may not be routinely observed.
- Performance monitoring and reporting may be inadequate.
- Robust arrangements for the prevention of fraud may not be in place.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Two recommendations relating to the monitoring and reporting of performance (medium priority) and the enhancement of fraud prevention measures (best practice) were proposed by Internal Audit and agreed with management.

4. **Key Financial Reconciliations** **Assurance Opinion – LIMITED**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- The bank reconciliation process may be inadequately designed and implemented.
- The process for the production, review and storage of other key financial reconciliations may be inadequately designed and implemented.
- Performance monitoring and reporting may not be adequate.

One high-priority recommendation was made, the details of which are as follows:

Review and Re-Implementation of Reconciliation Processes

Primarily due to the impact of a period of change and employee turnover within the Accountancy team, the previously established processes in place for the production and/or review and monitoring of several reconciliations had fallen behind.

It is acknowledged that the bank reconciliation, as perhaps the single most important reconciliation, has recently been brought up-to-date by the Interim Project Accountant. Accordingly, there are no immediate concerns with regard to the current adequacy of the Council's banking and cash management arrangements.

It is further acknowledged that responsibility for the completion of some key financial reconciliations (such as Housing Rents and Sundry Debtors) rests with the relevant department and the involvement of the Accountancy team is limited to review and monitoring rather than production and resolution.

It is, however, considered that the re-instatement of the key financial reconciliation processes, including the bank reconciliation, within the established Accountancy team, should be undertaken as a matter of priority. The opportunity to review and refresh the processes involved should also, it is suggested, be taken advantage of. This would include consideration of aspects such as which reconciliations are required, the frequency of such reconciliations and the allocation of responsibilities.

Agreed Action (High Priority)

The processes in place for the production, review and/or monitoring of key financial reconciliations (including the bank reconciliation) will be reviewed and re-implemented at the earliest opportunity.

Managers Responsible

Head of Finance Services

Chief Accountant

Principal Accountants

Target Date: 30 June 2023

Current Audit Performance

Progress on the Internal Audit Plan for 2023-24 is considered to be satisfactory with full completion anticipated by the end of the financial year.

A final report on the performance of the Internal Audit Service for 2022-23 will be presented to this Committee at the next meeting in July.

APPENDIX 2

INTERNAL AUDIT FOLLOW-UP

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit. The table below provides a summary of the progress made with high and medium priority agreed actions for such internal audit reports issued. Those audits where all actions have previously been reported as completed have been excluded from this list.

Audit Title	Report Issued	Original Assurance Opinion	Number of Actions (High Priority in brackets)	Progress
Housing Delivery Plan	08/06/21	Substantial	3 (1)	Superseded
Council Tax	13/05/22	Substantial	1	1 Outstanding
Grounds Maintenance Services	27/06/22	LIMITED	3 (1)	2 Outstanding
Benefits	14/09/22	Substantial	1	1 Outstanding
NNDR (Business Rates)	24/10/22	Substantial	1	Completed
Rents	24/10/22	Substantial	1	Completed
Human Resources	01/12/22	Reasonable	2	Completed

Further details of progress being made with high and medium priority agreed actions that have not yet been fully implemented are included below along with comments from management reflecting any updates on progress. Evidence of implementation will not be routinely sought for all actions as part of this monitoring process. Instead, a risk-based approach will be applied to conducting further follow-up work. Actions marked as 'superseded' refer to occasions where either 1) developments within the relevant Council department, or the environment within which the department operates, have occurred since the date of the original audit report and the action is no longer relevant or considered a priority in light of the consequent change to the Council's risk profile; or, 2) an alternative action has been implemented to mitigate the risk identified.

Where the agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

OUTSTANDING ACTIONS

1. Council Tax	May 2022, Substantial, Actions – 1
<p>1.1 Single Person Discount – Data Matches</p> <p><u>Agreed Action</u> (Medium Priority)</p> <p>A countywide programme for the review of data matches relating to Single Person Discount, incorporating those provided through the National Fraud Initiative, will be established.</p> <p><u>Managers Responsible</u> Head of Revenues, Benefits and Customer Services Target Date: 31 August 2022</p>	
<p><u>Progress Report of the Head of Revenues, Benefits and Customer Services</u></p> <p>The project continues and is anticipated to be completed by the revised target date. The company conducting the review has completed the stages of initial contact to review the cases, issuing reminders where reviews are not completed, and then removing the discount. The final stage is managing the contact with customers following the cancellation. This will be completed by 4 May 2023.</p> <p>Revised Target Date: 4 May 2023</p>	
2. Grounds Maintenance Services	June 2022, Limited, Actions – 3
<p>2.1 Procurement of Grounds Maintenance Services</p> <p><u>Agreed Action</u> (High Priority)</p> <p>An action plan will be produced and implemented to undertake a comprehensive review of the procurement of externally-sourced Grounds Maintenance services to ensure compliance with the Council's Constitution, Procurement and Commissioning Strategy and other legislative requirements.</p> <p><u>Managers Responsible</u> Head of Environmental Services Target Date: 31 July 2022 Parks and Green Spaces Manager</p>	
<p><u>Progress Report of the Head of Environmental Services</u></p> <p>The contract specification has now been prepared and the tendering process has now commenced in conjunction with the Procurement and Contracts Officer. Completion is anticipated within the revised target date.</p> <p>Revised Target Date: 30 June 2023</p>	
<p>2.2 Housing Service Recharge</p> <p><u>Agreed Action</u> (Medium Priority)</p> <p>A review shall be completed to ensure that the recharges for works completed on behalf of the Housing Department are accurate.</p> <p><u>Managers Responsible</u> Head of Environmental Services Target Date: 30 November 2022 Parks and Green Spaces Manager</p>	

Progress Report of the Head of Environmental Services

The recharge process has been reviewed and the calculation for 2022-23 can now be completed and reconciled now all relevant information (such as employee timesheets) is available following the end of the financial year.

Revised Target Date: 31 May 2023

3. Benefits

September 2022, Substantial, Actions – 1

3.1 Checking of Processed Applications

Agreed Action (Medium Priority)

It is considered good practice for 4% of all applications received to be checked on a month-by-month basis to ensure inaccuracies in the processing of applications are detected at the earliest opportunity. It was noted during the course of the audit that this process has slipped.

Accordingly, it was agreed with management that efforts will be made to ensure that the 4% prescribed checks will be completed in a timely manner.

Managers Responsible

Head of Revenues, Benefits and Customer Services

Target Date: 30 September 2022

Progress Report of the Head of Revenues, Benefits and Customer Services

The Benefits Team have experienced an issue with resources recently that has required them to focus on processing claims rather than quality checks. The Team is now back to the level of resources required and is working to rectify this and aims to have it back to the required levels by 30 June 2023.

Revised Target Date: 30 June 2023

Report of the Monitoring Officer

WORK PROGRAMME

1. Purpose of Report

To consider items for inclusion in the Work Programme for future meetings.

2. Recommendation

The Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.

3. Detail

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

19 June 2023	<ul style="list-style-type: none"> • Financial Regulations review • Annual Constitution review • Annual Code of Conduct Review
17 July 2023	<ul style="list-style-type: none"> • Audit of Accounts 2022/23 and Associated Matters • Statement of Accounts 2022/23 – Going Concern • Internal Audit Progress Report • Internal Audit Review 2022/23 • Review of Strategic Risk Register • Review of Polling Districts and Polling Places • Complaints Report 2022/23
18 September 2023	<ul style="list-style-type: none"> • Annual Audit Letter – External Auditors Report on the Statement of Account 2022/23 • Internal Audit Progress Report • Annual Counter Fraud Report 2022/23 • Governance Dashboard – Major Projects • Review of Strategic Risk Register • Fraud and Corruption and Prevention Policy • Money Laundering Prevention Policy
27 November 2023	<ul style="list-style-type: none"> • Internal Audit Progress Report • Review of Strategic Risk Register • Review of Polling Districts and Polling Places • Community Governance Review

4. Legal Implications

The terms of reference are set out in the Council’s constitution. It is good practice to include a work programme to help the Council manage the portfolios.

5. Background Papers

Nil.

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank