



Friday, 8 September 2023

Dear Sir/Madam

A meeting of the Governance, Audit and Standards Committee will be held on Monday, 18 September 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:	S J Carr (Chair)	K Harlow
	S Paterson (Vice-Chair)	G S Hills
	P J Bales	A Kingdon
	M Brown	J M Owen
	R Bullock	D K Watts
	G Bunn	S Webb
	R S Falvey	

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 5 - 8)

The Committee is asked to confirm as a correct record the minutes of the meeting held on 17 July 2023.

4. MINUTES OF THE ADVISORY SHAREHOLDER SUB COMMITTEE (Pages 9 - 10)

The Committee is asked to **NOTE** the minutes of the Advisory Shareholder Sub Committee on 10 July 2023.

5. AMENDMENTS TO THE CONSTITUTION (Pages 11 - 24)

To consider amendments to the Local Joint Consultative Committee, Policy Overview Working Group and the Events, Arts, Culture and Heritage Working Group and in addition to provide a provision in the Constitution to allow for urgent items to be considered at full Council meetings, and to recommend these to full Council to be adopted.

6. GOING CONCERN STATEMENT (Pages 25 - 30)

This report sets out the assessment by the designated Section 151 Officer of the Council's Going Concern status.

7. INTERNAL AUDIT PROGRESS REPORT (Pages 31 - 36)

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

8. ANNUAL COUNTER FRAUD REPORT 2022/23 (Pages 37 - 50)

To provide the Committee with the Annual Counter Fraud Report for 2022/23.

9. GOVERNANCE DASHBOARD - MAJOR PROJECTS (Pages 51 - 70)

To provide the Committee with an update to the 'Governance Dashboard' relating to the Council's major projects.

10. REVIEW OF STRATEGIC RISK REGISTER (Pages 71 - 86)

To approve the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

11. WORK PROGRAMME

(Pages 87 - 88)

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

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GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

MONDAY, 17 JULY 2023

Present: Councillor S J Carr, Chair

Councillors: S Paterson (Vice-Chair)
P J Bales
M Brown
R Bullock
G Bunn
S Dannhiem (substitute)
K Harlow
G S Hills
A Kingdon
A W G A Stockwell (substitute)
D K Watts

In attendace: G Marshall

Apologies for absence were received from Councillors R S Falvey, J M Owen and S Webb.

17 DECLARATIONS OF INTEREST

There were no declarations of interest.

18 MINUTES

The minutes of the meeting held on 19 June 2023 were confirmed and signed as a correct record.

19 MINUTES OF THE ADVISORY SHAREHOLDER SUB COMMITTEE

The Committee noted the minutes of the Advisory Shareholder Sub-Committee held on 26 June 2023.

20 BROXTOWE AUDIT STRATEGY MEMORANDUM

The Committed noted the progress in Mazar's delivering its responsibilities as the Council's external auditors.

21 INTERNAL AUDIT REVIEW 2022/23

The Committee noted the work of Internal Audit during 2022/23 and were provided with the annual Internal Audit Assurance Opinion that can be used by the Council to inform its Annual Governance Statement.

Overall, 68% of the planned audits were complete or awaiting finalisation at the year-end, below the 90% target.

22 INTERNAL AUDIT PROGRESS REPORT

The Committee noted the recent work completed by Internal Audit. It was noted that Internal Audit had also reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits.

23 REVIEW OF STRATEGIC RISK REGISTER

The Committee considered the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

A new strategic risk had been proposed, namely the “failure to deliver a Housing Repairs and Compliance Service which meets Right to Repair and Compliance legislation”. This strategic risk includes elements of physical, reputational and financial risks.

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

24 REVIEW OF POLLING DISTRICTS AND POLLING PLACES

The Committee considered the arrangements for the review of polling districts and polling places to be carried out later in the year.

The public consultation period in Broxtowe would take place between 2 and 30 October 2023. A further report would be submitted to the Governance, Audit and Standards Committee on 27 November 2023 setting out responses received to the consultation and recommendations for any changes to be considered by Council on 13 December 2023.

25 COMPLAINTS REPORT 2022/23

Members were provided with a summary of complaints made against the Council in 2022/23.

Of the 302 stage one complaints received overall, 72 were investigated under the stage 2 complaints procedure and 13 were investigated by the appropriate Ombudsman. It was noted that the 302 complaints received represented 0.2% of all contact received by the Council.

26 REPORT OF THE MONITORING OFFICER

The Committee noted the findings of the Local Government Ombudsman.

27 REPORT OF THE MONITORING OFFICER

The Committee noted the findings of the Local Government Ombudsman.

28 REPORT OF THE MONITORING OFFICER

The Committee noted the findings of the Housing Ombudsman.

29 WORK PROGRAMME

The Committee consider the Work Programme. It was requested that a review of Councillor planning application call-in be added to the Work Programme.

RESOLVED that the Work Programme be approved.

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ADVISORY SHAREHOLDER SUB COMMITTEE

MONDAY, 10 JULY 2023

Present: Councillor P J Bales, Chair

Councillors: G S Hills
D K Watts

Apologies for absence were received from Councillors R Bullock, R S Falvey and S Webb.

Councillor M Radulovic MBE was present at the meeting as Shareholder of EMDEVCo. Councillor S J Carr was in attendance as an observer.

18 APPOINTMENT OF CHAIR AT THE MEETING

RESOLVED that P J Bales be appointed Chair of the meeting.

19 DECLARATIONS OF INTEREST

There were no declarations of interest.

20 APPOINTMENT OF VICE CHAIR

RESOLVED that Councillor D K Watts be appointed Vice Chair of the Advisory Shareholder Sub Committee.

21 MINUTES

The minutes of the meeting held on 26 June 2023 were noted with the minor amendment to add the attendance of Councillor M Radulovic MBE as ex-officio and signed as a correct record.

22 PRESENTATION ON EMDEVCO

The Sub Committee welcomed a presentation on EMDEVCo. The presentation provided an overview of outcomes including enhancing green and blue with its natural capital, flood mitigation and accessibility, delivering growth and infrastructure, and securing best practice design in line with the Supplementary Planning Document and Design Code Pathfinder including Net Zero.

23 EMDEVCO LTD

Members noted the report on the work of EM Devco Ltd of which Broxtowe Borough Council was a founder shareholder.

24 WORK PROGRAMME

The Advisory Shareholder Sub Committee considered the work programme and with the addition of updates being provided to each meeting on EMDEVCO was approved.

RESOLVED that work programme with the additional item of updates from EMDEVCO to all the meetings of the Advisory Shareholder Sub Committee be approved.

Report of the Monitoring Officer

AMENDMENTS TO THE CONSTITUTION1. Purpose of report

To consider amendments to the Local Joint Consultative Committee, Policy Overview Working Group and the Events, Arts, Culture and Heritage Working Group and in addition to provide a provision in the Constitution to allow for urgent items to be considered at full Council meetings, and to recommend these to full Council to be adopted.

2. Recommendation

The Committee is asked to consider and RECOMMEND to Council that:

- 1. The arrangement to add a provision for the consideration of urgent business at full Council meetings be approved,**
- 2. The amendments to the terms of reference for the Policy Overview Working Group be approved,**
- 3. The amendments to the terms of reference for the Events, Arts, Culture and Heritage Working Group be approved,**
- 4. The amendments to the Local Joint Consultative Committee Constitution be approved.**

3. Detail

At the Council meeting held on 12 July 2023, the Council Procedure Rules were suspended to allow for a motion to be heard which had not been submitted in accordance with the rules set out for motions on notice. It was queried by Members whether provision could be included in the Constitution to allow for the consideration of urgent business. In accordance with the request, a suggested procedure is included for consideration in appendix 1.

Further amendments are included in appendix 1 to the terms of reference for firstly, the Policy Advisory Working Group, which enables early sight of proposed policies to help shape the documents, and secondly, the Events, Arts, Culture and Heritage Working Group, sets out the number of meetings for the Group.

Minor amendments have been made to the Local Joint Consultative Committee Constitution at appendix 2. The amendments, in red, are to reduce the size of the committee from 18 to 14 Members to reflect a reduction in union membership, in addition to updating the proportionality around current union representation at the Council. A change table is attached as appendix 3. The Bramcote Bereavement Joint Services Committee is also currently being reviewed but requires further legal input and will be reported at a future Governance, Audit and Standards Committee.

4. Financial Implications

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

There are no financial implications to consider with any costs being contained within existing budgets.

5. Legal Implications

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

No comments

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. Climate Change Implications

There were no climate change implications as a result of this report.

10. Equality Impact Assessment

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

11. Background Papers

Nil.

APPENDIX 1**URGENT BUSINESS**

The Council may deal with business even though it is not on the Agenda if that business is considered to be urgent.

Urgent business means business that requires the urgent attention of Council in connection with a matter that affects the Borough and for which the Council has a responsibility for: public health, safety a financial or legal matter and which needs to be dealt with before the next Ordinary meeting.

The procedure for urgent business is as follows:

- the business is raised by a Motion on Notice under Rule 11 (Motions on Notice);
- the Motion on Notice is delivered to the Chief Executive no later than midday on the day before the meeting.
- The Mayor at the meeting, or the Voting Councillors, decide that the business is urgent and
- the agenda relating to the meeting states that the Council may deal with urgent business at that meeting.

The Chief Executive may reject the motion if it:

- does not meet the definition of urgent business;
- is vexatious, abusive or otherwise inappropriate;
- relates to a planning decision;
- relates to a licensing decision;
- relates to any other matter relating to an individual or entity in respect of which that individual or entity has a right of recourse to a review or right of appeal conferred by or under any enactment;
- requires the disclosure of confidential or exempt information;
- is outside of the Council's scope of business or responsibility.

The Mayor shall refer the urgent Motion to the Voting Councillors. The Voting Councillors will then decide whether or not the Motion on Notice is urgent and required to be debated. If they decide that it is urgent, they will debate it under Rule 13 Rules of Debate. If they decide that the matter is not urgent, the motion shall be deferred to the next Ordinary Council Meeting (i.e. not to an Extraordinary Council Meeting, an Annual Meeting, or a meeting to set the budget).

Policy Overview Working Group

Note: The Policy Overview Working Group is a Working Group of the Cabinet,

Membership, Chair and Quorum

Number of Members	13
Substitute Members Permitted	Yes
Political Proportionality Rules Apply	At the Leader's discretion
Appointments / Removals	The Leader
Restrictions on Membership	<ul style="list-style-type: none"> • Must have at least one Cabinet Member on the Working Group <p>The following Councillors may not serve on the Policy Overview Working Group;</p> <ul style="list-style-type: none"> • Members of the Overview and Scrutiny Committee
Restrictions on Chair / Vice Chair	As above
Quorum	One quarter (1/4) of Members rounded up to be no less than 4
Number of Ordinary Meetings per Council Year	<p>Up to 10</p> <p>Frequency and timing of meetings to be determined by the Chair</p> <p>Hybrid Meeting</p>

Remit and Terms of Reference

- To consider and recommend to Cabinet Council policies and strategies for the Portfolios of Resources and Personnel Policy, Housing, Economic Development and Asset Management, Community Safety, Leisure and Health, and Environment and Climate Change.
- **New policies, plans and strategies will be submitted initially to the Working Group for Member consultation before being resubmitted for a recommendation to the suitable body.**

- Time critical reports, policies, plans and strategies with minor or no amendments would go straight to Cabinet.
- To also include supporting reviewing and making recommendations towards the implementation of Member facilities, expenses, and allowances.

Events, Arts, Cultural and Heritage Working Group

Note: The Events, Arts, Cultural and Heritage Working Group is a Working Group of the Cabinet,

Membership, Chair and Quorum

Number of Members	13
Substitute Members Permitted	Yes
Political Proportionality Rules Apply	At the Leader’s discretion
Appointments / Removals	The Leader
Quorum	One quarter (1/4) of Members rounded up to be no less than 4
Number of Ordinary Meetings per Council Year	Up to 6 Frequency and timing of meetings to be determined by the Chair

Remit and Terms of Reference

- To further promote the development and management of the DHL Museum, other local museums and sites of local heritage under the heritage banner.
- To promote the health and vitality of town centres and communities through a planned programme of events and arts programmes.
- To promote close co-operation with our twin towns in Gutersloh and friendship arrangement in Myskow and to bring forward the CCity project across Europe to Broxtowe.
- To promote the Council’s heritage and culture through collaborative working with our European partners.

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LOCAL JOINT CONSULTATIVE COMMITTEE CONSTITUTION

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LOCAL JOINT CONSULTATIVE COMMITTEE **CONSTITUTION**

1. Introduction

The body shall be known as the Broxtowe Borough Council Local Joint Consultative Committee for all Employees ("LJCC").

2. Objective

The objective of the LJCC is to provide a means for joint consultation between members of the Council and representatives of all employees of the Council to consider matters of common interest, generally further good relations, and, **as the Committee is an advisory committee rather than a decision-making body**, make recommendations to the Cabinet.

3. Representation

The LJCC shall consist of:

Seven member representatives. They shall be appointed to constitute the employer's side. In addition, either the Leader or Deputy Leader of the Council and either the Leader or Deputy Leader of the Opposition may attend each meeting with full speaking ~~and voting~~ powers.

Seven employee representatives appointed to constitute the employees' side, comprising representatives of all employees of the Council. These representatives will be nominated and recognised shop stewards of the trade unions and nominated jointly by them and ensuring fair representation based on proportionality from the unions ie:

- ~~Transport & General Workers' Union – three representatives~~
- ~~Unison – six representatives~~ Proportionality to be gauged

Members of the LJCC shall be appointed annually as soon as possible following the Council's annual meeting in each year and shall be eligible for re-appointment.

If any member of the LJCC ceases to be a member of the Council or an employee of the Council, they shall thereupon cease to be a member of the LJCC. Any consequential vacancy shall be filled by the Council or by an employee representative as appropriate as soon as practicable.

In the event of any representative of either side being unable to attend any meeting of the LJCC, that representative may nominate a substitute to attend.

The ~~Head of~~ Human Resources **Manager or a nominated deputy** shall act as co-ordinator to the LJCC.

4. Chair and Vice Chair

A Chair and Vice Chair shall be appointed at the first meeting of the LJCC in any Council year. If the Chair appointed is a member of the employers' side then the Vice-Chair shall be appointed from the employees' side, and vice versa.

The Chair shall have a vote, but not a casting vote.

In the absence of both the Chair and Vice Chair from any meeting, the LJCC shall appoint a Chair for the meeting.

5. Functions

The functions of the LJCC shall be to:

- Provide regular methods of consultation between the Council and its employees in order to maintain an efficient service to the public, and to prevent differences and misunderstandings between the Council and its employees

Always provided that:

- no question of individual discipline, promotion or relegation shall be within the scope of the LJCC
- the existence of the LJCC does not interfere with the trade unions' arrangements for separately representing their members
- Make recommendations to the Cabinet as to the implementation of terms and conditions of service of employees
- Consider any relevant matter referred to it by the Cabinet or a ~~Select~~ **Scrutiny** Committee or by any of the trade unions
- Discharge such other functions as may be specifically referred to it by the Council
- Consider relevant matters raised under employment legislation
- Ensure that employees are given a wider interest in, and greater responsibility for the conditions under which their work is performed
- Provide an effective means of reporting to employees
- Promote the welfare of the employees

- Make suggestions for promoting the efficiency and success of the Council's services and to secure the co-operation of all concerned to those ends
- Seek views on the implementation of matters which have been prescribed or recommended at national or provincial levels, as they relate to local conditions of service

6. Agenda

The matters to be discussed at any meeting of the LJCC shall be stated on the agenda for the meeting. **Standing items shall include consideration of the minutes from the previous meeting and the declaration of any interests from members of the Committee.**

Matters initiated for inclusion on the agenda of the next meeting shall be submitted in writing to the ~~co-ordinator~~ **Head of Democratic Services** at least ten working days before the anticipated date of the meeting. **This shall include matters from those who are not members of the Committee.**

The agenda for the meeting shall be forwarded to members of the LJCC at least five working days prior to the meeting.

7. Meetings

The LJCC shall be scheduled to meet four times each Council year but will not meet less than twice each Council year. The Chair and Vice Chair may call a meeting at any time.

A special meeting shall be called within ten working days of the receipt by the co-ordinator of a requisition signed by not less than half of the members of either side.

Employee representatives shall be granted normal pay for the period of absence from work.

8. Procedure

Advisers to either side may attend meetings of the LJCC. Advisers to the employers' side must be employees of the Council. Advisers to the employees' side must be appointed trade union officials who are not employees. Advisers may speak on items but not vote.

The quorum of the LJCC shall be three members from each side.

No recommendation shall be regarded as carried unless it is approved by a majority of the members present on each side. In the event of the LJCC being unable to arrive at an agreement, the matter shall be adjourned for reconsideration at the next meeting and/or referred for advice and reconciliation.

9. Minutes

The minutes of the proceedings of any meeting of the LJCC shall be submitted to the following meeting of the Committee **and be available for all employees to view**. The minutes shall be agreed by the Chair and Vice-Chair prior to that submission. Any recommendations shall be subject to approval by the Cabinet.

The minutes of the previous LJCC meeting shall be signed at each meeting by the Chair of that meeting.

Note:

~~Membership of the Working Group shall consist of three Members, two Unison and one Unite the Union representatives.~~

APPENDIX 3

Policy Section	Suggested Change	Reason for Change
Page 1, 2. Objective	Add: as the Committee is an advisory committee rather than a decision-making body,	To ensure the Committee makes recommendations to the decision-making body.
Page 1 3. Representation	Replace: Seven	To ensure the Members representatives have an equal balance
Page1 3 Representation	Replace: Seven	To ensure the employee representatives have an equal balance
Page 1 3 Representation	Remove: Transport and General Workers Union-three representatives	No longer a recognised Union
Page 1 3 Representation	Remove Unison Six representatives	Proportionality to be gauged based on employee membership.
Page 1 3. Representation	Add: In the event of any representative of either side being unable to attend any meeting of the LJCC, that representative may nominate a substitute to attend.	To allow for substitutes to the meeting.
Page 1 3. Representation	Add: The Human Resources Manager or a nominated deputy shall act as co-ordinator to the LJCC.	The Head of Human Resources post is no longer on the establishment. Replace with the Human Resources Manager title and include or a nominated deputy.

Policy Section	Suggested Change	Reason for Change
Page 2 5. Functions	Replace: Select with Scrutiny	In line with the Constitution
Page 3 6. Agenda	Add: Standing items shall include consideration of the minutes from the previous meeting and the declaration of any interests from Members of the Committee.	In line with the Constitution
Page 3 6. Agenda	Replace: Coordinator with Head of Democratic Services	To provide clear process for any matters to be added to the agenda.
Page 3 6. Agenda	Add: This shall include matters from those who are not members of the Committee.	To allow non-union members to contribute to the Committee.
Page 4 9. Minutes	Add: and be available for all employees to view.	To ensure all employees, including employees not in a union to see the minutes of the LJCC.
Page 4 Note	Remove: Membership of the Working Group shall consist of three Members, two Unison and one Unite the Union representatives.	The membership representative has been outlined at Point 3 Representation.

Report of the Deputy Chief Executive

GOING CONCERN STATEMENT1. Purpose of report

This report sets out the assessment by the designated Section 151 Officer of the Council's Going Concern status.

2. Recommendation

The Committee is asked to NOTE the outcome of the assessment made of the Council's status as a going concern for the purposes of the Statement of Accounts 2022/23.

3. Detail

The concept of a 'going concern' assumes that an authority, its functions and services will continue in operational existence for the foreseeable future. This assumption underpins the accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out functions essential to the community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.

Where the 'going concern' concept is not the case, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.

Given the significant reductions in funding for local government over many years and the potential risks that the cost of living crisis continues to pose to the ongoing viability of a number of councils as a consequence, external auditors are placing a greater emphasis on local authorities undertaking an assessment of the 'going concern' basis on which they prepare their financial statements.

In response the position of this Council is set out in the appendix to this report.

4. Financial Implications

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

The financial implications are included in the report narrative and appendices.

5. Legal Implications

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

There are no direct legal implications that arise from this report.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Union comments in relation to this report.

8. Data Protection Compliance Implications

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

9. Climate Change Implications

There were no climate change implications as a result of this report.

10. Equality Impact Assessment

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

11. Background Papers

Nil

APPENDIX**Assessment of Going Concern**

As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2022/23 (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code, the Statement of Accounts is prepared assuming that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business.

The main factors which underpin the going concern assessment are the:

- Council's current financial position;
- Council's projected financial position;
- Council's governance arrangements; and
- regulatory and control environment applicable to the Council as a local authority.

These are considered in more detail below.

Current Financial Position

The financial outturn position 2022/23 shows an underspend against revised budget of £2.089m. As at 31 March 2023 the Council held general revenue reserves of £6.387m. In addition, the Council held earmarked reserves of £1.373m to meet specific identified pressures, but which ultimately may be diverted to support general expenditure by the Section 151 Officer should the need arise.

General reserves reflect the ability of the Council to deal with unforeseen events and unexpected financial pressures in any particular year and are a key indicator of the financial resilience of the organisation. As part of the Medium Term Financial Strategy, the Section 151 Officer has assessed that the optimum level of general reserves to be held by the Council to be at or above £1.5m and at least equal to 5% of the Council's net operating expenditure. General reserves were at £6.387m as at 31 March 2023.

At 31 March 2023 the Council held £6.837m in the form of either cash or short term investments maturing within the next financial year.

On capital there was £13.895m of expenditure in the approved capital programme for the year. This represents an underspend of £12.192m against the approved capital programme, the main reason being general underspending on capital schemes (predominantly new housing build programme). Budgets to the value of £11.982m have been carried forward into 2023/24. The Council funds its capital programme from borrowing, capital receipts, direct financing from revenue, government grants and partnership funding such as developer contributions.

The Council's balance sheet as at 31 March 2023 shows a net worth of £166.2m, with a significantly reduced net pension liability of £3.667m. There are statutory arrangements for funding the pension deficit through increasing contribution over the remaining working life of the employees, as assessed by an independent actuary. The financial position of the Council remains healthy.

Other factors giving rise to this assessment include:

- The adequacy of risk assessed provisions for doubtful debts;
- The range of reserves set aside to help manage expenditure; and
- An adequate risk assessed working balance to meet unforeseen expenditure.

Projected Financial Position

In February/March 2023, the Council approved a balanced budget for 2023/24. This allowed for net spending of £14.354m and required a Council Tax increase of 2.94%, pressures/growth of £2.161m, savings/additional income of £0.935m and the use of £0.938m from general reserves.

The Medium Term Financial Strategy (MTFS) is updated twice-yearly and reflects a four-year assessment of the Council's spending plans and associated funding. It includes the ongoing implications of approved budgets and service levels and the revenue costs of the capital programme, as well as the management of debt and investments. An update on the MTFS, covering the four-year period to 2027/28 will be reported to Cabinet in October 2023.

With the Council already having overcome significant reductions in central government grant funding, it is anticipated that the MTFS will identify a significant budget gap of £5.731m over the period to 2023/24 to 2027/28. The Council has developed a Business Strategy to identify savings and additional income to manage the reduction in resources. The budget will be monitored over the medium-term period by Cabinet.

The Council has a well-established process for the development of the Capital Strategy, reported to Cabinet every year, which ensures the Council maintains a capital programme which is prudent, sustainable and affordable. The capital budget for 2022/23 to 2024/25, including the Housing Revenue Account, Housing Delivery Programme, Stapleford Towns Fund and Kimberley Levelling-Up Fund is £56.8m.

Governance Arrangements

The Council has a well-established and robust corporate governance framework. This includes the statutory elements like the post of Head of Paid Service; the Monitoring Officer; and the Section 151 Officer in addition to the current political arrangements.

An overview of this governance framework is provided in the Annual Governance Statement which is included within the Statement of Accounts. This was presented to this Committee on 22 May 2023 and included a detailed review of the effectiveness of the Council's governance arrangements.

External Regulatory and Control Environment

As a local authority the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for councils to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and central government control there are other factors such as the role undertaken by the external auditors as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.

Against this backdrop it is considered unlikely that a local authority would be 'allowed to fail' with the likelihood being that, when faced with such a scenario, central government would intervene supported by organisations such as the Local Government Association to bring about the required improvements or help maintain service delivery.

Given the severity of the earlier Covid-19 pandemic on the country's finances and the current cost of living crisis and high levels of inflation, it would have been complacent to sit back and wait for Government intervention. Ministers have conceded that local authorities could still be left with unmanageable pressures and may continue to be concerned about their future financial position, urging any authority that found itself in that position to contact the department with immediate effect.

Conclusion

It is considered that having regard to the Council's arrangements and such factors as highlighted in this report that the Council remains a going concern.

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Report of the Chief Audit and Control Officer

INTERNAL AUDIT PROGRESS REPORT1. Purpose of Report

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

2. Recommendation

The Committee is asked to NOTE 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 in the appendix. 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. 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. At the present time there are no outstanding agreed actions.

Further progress reports will be submitted to each future meeting of this Committee. A final report detailing the overall performance of Internal Audit for 2023/24 will be presented to this Committee in July 2024.

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

The comments from the Head of Legal were as follows:

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

The comments from the Human Resources Manager were as follows:

Not Applicable.

7. Union Comments

The comments from the Union were as follows:

Not Applicable.

8. Climate Change Implications

There were no comments for Climate Change implications.

9. Data Protection Compliance Implications

This report does not contain any [OFFICIAL (SENSITIVE)] information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

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

11. Background Papers

Nil.

APPENDIX

INTERNAL AUDIT REPORTS ISSUED SINCE APRIL 2023

The following table summarises the audit assignments and similar work completed by Internal Audit between the 1 April 2023 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)
Key Financial Reconciliations	18/04/23	LIMITED	1	0
Council Tax	26/04/23	Substantial	0	0
Former Council House Repurchasing	26/04/23	Substantial	0	2
Right-to-Buy	26/04/23	Substantial	0	1
Financial Appraisal – STCRF Applicants	09/05/23	Advisory report only		
Housing Lettings	10/05/23	Substantial	0	0
Treasury Management	11/05/23	Substantial	0	0
Financial Appraisal – Prospective Tenant	16/05/23	Advisory report only		
Liberty Leisure Limited – Governance	23/05/23	Reasonable	0	2
Operational Risk Management (Depot)	23/05/23	Reasonable	0	3
Financial Appraisal – Prospective Tenant	25/05/23	Advisory report only		
Compliments and Complaints	30/06/23	Reasonable	0	1
Financial Appraisal – Consultancy	30/06/23	Advisory Report Only		
Benefits	11/07/23	Substantial	0	0
Financial Appraisal – Prospective Tenant	17/07/23	Advisory Report Only		
Financial Appraisal – Housing Adaptation	17/07/23	Advisory Report Only		
Section 106 Agreements	16/08/23	Reasonable	0	2

REMAINING INTERNAL AUDIT PLAN 2023/24

Audit Title	Progress
Corporate Communications	In progress
NNDR (Business Rates)	In progress
Legal Services	In progress
Human Resources	In progress
Payroll	In progress
Damp and Mould	Planning
Housing Repairs – Reactive	Planning
Asset Management Strategy	Not yet commenced
Emergency Planning	Not yet commenced
Chilwell Olympia	Not yet commenced
Financial Resilience	Not yet commenced
Housing Delivery Plan	Not yet commenced
Kimberley ‘Levelling Up’	Not yet commenced
Leisure Management System	Not yet commenced

Local Elections	Not yet commenced
Procurement	Not yet commenced
Rents	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. **Compliments and Complaints** **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:

- Appropriate and up-to-date policy and procedures may not be in place.

- Complaints handling may not be completed in accordance with policy and procedures.
- Appropriate performance monitoring and reporting may not be undertaken.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. One recommendation (medium priority) relating to the provision of further training to relevant departmental managers was proposed by Internal Audit and agreed with management.

2. **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.

3. **Benefits**

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:

- Claims for Housing Benefit and Council Tax Support may not be assessed in an accurate and timely manner.
- Benefit overpayments may not be identified and recovered in a timely manner.
- Write offs may not be appropriately validated and authorised.
- Performance reporting and monitoring against service targets may be inadequate.
- Reconciliations to other primary financial systems may not be completed in an accurate and timely manner.
- Sensitive personal information may not be handled in an appropriate manner.

- Effective processes may not be in place to manage potential fraudulent activity.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Accordingly, no specific recommendations to address deficiencies in internal control were made.

4. **Section 106 Agreements** **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:

- Opportunities for Section 106 Agreements may not be correctly and effectively identified.
- Existing Section 106 Agreements may be inadequately recorded and monitored.
- Utilisation of funds available through Section 106 Agreements may not be made in accordance with the relevant agreement(s) or within the required time limit.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Two recommendations relating to the monitoring of the spending of Section 106 funds and individual developer fulfilment of non-monetary obligations (both 'medium priority') were proposed by Internal Audit and agreed with management.

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 2023/24 will be presented to this Committee in July 2024.

Report of the Chief Audit and Control Officer

ANNUAL COUNTER FRAUD REPORT 2022/231. Purpose of Report

To provide the Committee with the Annual Counter Fraud Report for 2022/23.

2. Recommendation

The Committee is asked to NOTE the report.

3. Detail

As required by the Council's Fraud and Corruption Prevention Policy, the Annual Counter Fraud Report is presented to this Committee to provide a summary of the ongoing Counter Fraud work performed by Internal Audit and other relevant departments.

Internal Audit is pleased to report that no fraudulent activity within the Council has been noted during the financial year 2022/23.

The primary report is presented within Appendix 1. Therein, to provide some context, the current fraud 'landscape' as viewed by the Chartered Institute of Public Finance and Accountancy (CIPFA) is presented, followed by a summary (by department) of the work undertaken in response to the fraud risks facing the Council, including the Council's engagement with the National Fraud Initiative (NFI).

The Council's Fraud Risk Register is presented in Appendix 2. This provides a summary of the key significant fraud risk areas within the Council along with the processes and procedures in place to mitigate those risks.

4. Financial Implications

Fraud perpetrated against the Council has a direct impact on the cost of providing services to the local community. The positive counter fraud work undertaken across the Council to complement and improve key controls is therefore vital in mitigating against the risk of fraud. The review of key significant fraud risk areas as part of Fraud Risk Register is an important tool in this regard.

5. Legal Implications

The Council's Fraud and Corruption Policy ensures the Council meets its legal obligation and there are adequate safeguards and reporting arrangements in place to protect the Council from fraud.

6. Human Resources Implications

Not Applicable.

7. Union Comments

Not Applicable.

8. Climate Change Implications

There were no comments in relation to Climate Change implications.

9. Data Protection Compliance Implications

This report does not contain any [OFFICIAL (SENSITIVE)] information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

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

11. Background Papers

Nil.

APPENDIX 1

ANNUAL COUNTER FRAUD REPORT 2022/23

1. Introduction – National Context and Council Policy

The Chartered Institute of Public Finance and Accountancy (CIPFA) produces a periodic report on fraud within the UK public sector. In its latest (2021) report, CIPFA estimates that fraud costs the public sector at least £40.3bn each year. Of this total, an estimated £7.3bn is specifically located within local government.

Procurement and Single Person Discount for council tax continue to be perceived as the two greatest fraud risk areas within local authorities, with the main types of fraud (by volume) that affect district authorities remaining council tax, housing and business rates. Other notable types of fraud (but which did not emerge as major types of fraud nationally) are insurance, welfare assistance, economic and voluntary sector support, payroll, recruitment, bank mandate fraud and manipulation of data.

It is against this background that in response to the risks and threats presented to the Council by fraud, the Council has in place a Fraud and Corruption Prevention Policy. By way of this policy, the Council acknowledges the significant negative impact fraudulent and corrupt acts can have on the Council, the delivery of its Corporate Plan and the services provided to residents. The policy also makes clear that the Council takes a zero-tolerance approach to fraud and corruption; will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts; and will take all appropriate action against perpetrator(s) and pursue all available options to recover any losses.

The policy establishes two key processes for the prevention of Fraud and Corruption within the Council. Firstly, the policy outlines (in tandem with the Council's Whistleblowing Policy) a procedure for the reporting of suspected fraudulent and corrupt acts. Such reports are considered by senior management, with the potential for further investigation by Internal Audit, referral to specialist fraud investigation services and/or the Police.

The second key process established by the Policy is an ongoing programme of preventative measures established by relevant departments across the Council, supported by ongoing assurance and advisory work performed by Internal Audit. The basis for this programme is the Fraud Risk Register (presented in Appendix 2) which is maintained by Internal Audit and periodically reviewed in conjunction with relevant Heads of Service and managers.

A summary of the key measures and activity in each relevant department now follows.

2. Summary of Key Measures and Activity

Revenues and Benefits

As part of the ordinary course of operations, documentary evidence for all claims for discounts, reliefs or benefits are required before any such discount, relief or benefit is awarded. Regular inspection work is also carried out.

The Council participates in the annual Single Person Discount data matching programme provided by the National Fraud Initiative. In addition, much of the current counter fraud activity within the Revenues and Benefits teams is in support of the Department for Work and Pensions (DWP). In 2022/23 this activity included issuing seventeen fraud referrals to the DWP and completing thirteen Local Authority Information Exchange Forms (LAIEF) (being requests for information from the DWP to support their ongoing investigations).

Housing

Nationally, the risk of fraud relating to housing has been identified as high value. In a local context, the risks for this Council include the potential for tenancy fraud, sub-letting and risks associated with the 'Right to Buy'.

With regard to all these risk areas, documentary evidence for all claims or applications is sought prior the awarding of any tenancy or financial arrangement. In respect of 'Right to Buy' applications, appropriate checks are undertaken to prevent and detect potential fraud, including:

- Requesting identity and proof of address for each applicant.
- Checking if the applicant is in receipt of Housing Benefit and referring this on for enquiry (particularly where the sale is expected to be financed without a mortgage).
- Checking each applicant's details with appropriate agencies (including the National Anti-Fraud Network) to see if the applicant has other mortgages and to check the persons registered at the address from electoral records.
- Requiring applicants to provide details as to how they intend to finance the purchase. If monies are being gifted, the Council will require the applicant to provide confirmation from the third party that these funds are available and seek proof of identification.

Procurement

The Council has in place a formal Procurement and Contract Management Strategy which provides considerable detail into the processes and procedures required in order to complete procurement exercises, including formal tender exercises. Contract opportunities are well-advertised, with a commonly-used online tendering system utilised to help ensure transparency and fairness.

Payroll and Human Resources

All new employees and changes to employee details are subject to robust checking processes which involve, as required, documentary evidence and/or direct confirmation of details with the relevant employee. Areas such as probation, sickness absence, right-to-work and payroll data are similarly supported by established Council policy and documentary checks as required.

Finance Services

The Finance Services team engages with banks and other financial institutions to prevent fraudulent activity. This includes both treasury management activity and creditors payments. Barclays Bank has provided officers with fraud awareness briefing sessions and periodic email updates on developments and trends in fraudulent activity.

Environmental Health and Licensing

The Environmental Health team ensures that, where necessary, the identity and relevant details for applicants or premises owners are established and supported by documentary evidence. Reference is made to the National Anti-Fraud Network as required, in addition to cross-agency data sharing and checking.

In addition, the Licensing service continues to check right-to-work status for all new taxi and private hire drivers and for relevant alcohol licensing applications, while all drivers, operators and scrap metal dealers are required to provide proof that they are registered to pay tax on their earnings. These measures assist in preventing illegal working, unlawful employment of workers and unlawful payments to employees.

Insurance

The Council continues to work with its insurers who regularly provide briefings and advice to enable officers to remain vigilant to potential fraudulent claims. All claims continue to be rigorously reviewed at every stage to ensure that anything suspicious is identified and the appropriate outcome is achieved. Claimants are advised that information provided may be shared by the insurers with other appropriate bodies responsible for the prevention and detection of fraud, such as the Claims and Underwriting Exchange Register.

Training and Awareness

As part of the mandatory training provided through the Council's online learning platform (Broxtowe Learning Zone), employees are required to complete modules on Cyber Security and the Code of Conduct in addition to a number of Information Management and Security modules. Other specific courses are available for relevant service areas, including modules on Payment Card Security and Serious Organised Crime.

Internal Audit provides periodic general fraud awareness updates to employees in addition to providing more targeted fraud information to relevant officers.

National Fraud Initiative

The Council participates in the Cabinet Office's National Fraud Initiative programme (NFI), which matches electronic data within and between the public and private sector to assist in the prevention and detection of fraud. These include local authorities, police authorities, local probation boards, fire and rescue authorities as well as a number of private sector bodies. The NFI tool is helpful in assisting to identify potential fraud in areas such as council tax, housing benefit, pensions, payroll and housing tenancy.

The Council periodically provides specified sets of data to the Cabinet Office for matching. The data provided can include records relating to council tax, creditors, payroll, electoral register, housing tenants, housing waiting lists, insurance claims and licences. Whilst Internal Audit is the single point of contact for participation in the NFI data matching programme, the process does require the support of the respective service managers with responsibilities for the service/system being subjected to review under the scheme. A network has been established to enable departments to support Internal Audit with this work.

The latest NFI data matching exercise was performed in January 2023 with 914 matches being generated for further review. Upon release of the matches, Internal Audit completed a risk analysis (categorising the matches as 'high', 'medium' and 'low' priority for further investigation) and subsequently began work, in conjunction with relevant officers in other departments, to investigate and resolve the matches. At the time of writing, approximately 34% of the matches have been processed and resolved with approximately £2,100 having been identified for possible recovery and/or in savings for the Council in addition to the removal and/or suppression of a number of fraudulent applications for housing.

Internal Audit – Special Investigations

No special investigations (beyond those performed as part of the NFI data matching exercise) have been carried out by Internal Audit during 2022/23.

3. Plans for 2023/24

The primary focus for the next 12-18 months is the completion of the review of the results of the NFI data matching exercise noted above. A summary report of the results of this exercise will be provided to this Committee as part of the next Annual Counter Fraud Report.

APPENDIX 2

FRAUD AND CORRUPTION RISK REGISTER – SEPTEMBER 2023

1. Introduction and Background

Compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption is widely recognised as a key component of a quality governance framework. One of the key principles of the Code is to identify the fraud and corruption risks within an organisation; understand the exposure to these risks and routinely consider these as part of risk management arrangements.

The preparation of the Council's Fraud and Corruption Risk Register, presented in this appendix, satisfies this key principle of the Code. The Fraud and Corruption Risk Register is maintained by Internal Audit and periodically reviewed in conjunction with relevant Heads of Service and other managers. The register is also considered by the General Management Team and will be continue to be presented to this Committee alongside the Annual Counter Fraud Report.

2. Fraud Risk Assessment Matrix

The corporate 5x5 risk matrix is used for assessing the threats for each fraud risk in terms of both the likelihood and impact. A score is provided for both the inherent risk and the assessed residual risk. This matrix reflects the direction of travel in terms of the effect of mitigation measures implemented to help manage a particular risk. It also assists in directing resources to areas where they will have the most influence.

		Risk – Threats				
Likelihood	Almost Certain - 5	5	10	15	20	25
	Likely – 4	4	8	12	16	20
	Possible - 3	3	6	9	12	15
	Unlikely - 2	2	4	6	8	10
	Rare – 1	1	2	3	4	5
		Insignificant – 1	Minor – 2	Moderate – 3	Major – 4	Catastrophic – 5
		Impact				

Risk Rating	Value	Action
Red Risk	25	Immediate action to prevent serious threat to provision and/or achievement of key services or duties
	15 to 20	Key risks which may potentially affect the provision of key services or duties
Amber Risk	12	Important risks which may potentially affect the provision of key services or duties
	8 to 10	Monitor as necessary being less important but still could have a serious effect on the provision of key services
	5 to 6	Monitor as necessary to ensure risk is properly managed
Green Risk	1 to 4	No strategic action necessary

In applying the matrix to the fraud and corruption risks posed to the Council, appropriate reference has been made to published guidance and reports from CIPFA, the National Fraud Initiative, Central Government, the external auditors and other relevant organisations. Existing knowledge of the Council’s operations derived from previous counter fraud and Internal Audit work has also been drawn upon as appropriate.

This risk register will serve as a ‘living document’ and evolve over time as the nature of the services provided by the Council and the environment within which it operates changes, giving rise to variations in the Council’s risk profile.

Fraud and Corruption Risk Register

Risk Area	Risk	Mitigation	Inherent Score	Residual Score
Housing Tenancy (Applications)	Fraudulent applications for new or successive tenancies	Documentary evidential requirements Checking, review and authorisation procedures Data-matching exercises through NFI	12	6
Housing Tenancy (Subletting)	Sub-letting of Housing properties	Direct and indirect monitoring of tenanted properties Data-matching exercises through NFI	12	6
Right to Buy	Fraudulent Right-to-Buy applications	Documentary evidential requirements Checking, review and authorisation procedures Data-matching exercises through NFI	16	4
Benefits	Fraudulent applications for Housing Benefit	Documentary evidential requirements Checking, review and authorisation procedures Data-matching exercises through NFI Risk Based Verification of Claims	10	4
Disabled Facility Grants	Fraudulent applications for new or additional grants	Documentary evidential requirements Officer site visits Checking, review and authorisation procedures	12	3
Council Tax	Fraudulent applications for discounts and reliefs, including Single Occupier Discount and Local Council Tax Support	Documentary evidential requirements Checking, review and authorisation procedures Data-matching exercises through NFI	15	4

Risk Area	Risk	Mitigation	Inherent Score	Residual Score
Business Rates (Discounts/Relief)	Fraudulent applications for discounts and reliefs including Small Business Rate Relief and Charitable Relief	Documentary evidential requirements Checking, review and authorisation procedures Property Inspector visiting properties	12	4
Business Rates (Properties)	Unlisted / Concealed Properties	Officer knowledge of borough development Data-matching exercises through NFI Working with third party company to identify gaps	6	4
Procurement (Contract Awards)	Improper award of contracts due to lack of tendering and/or collusion with or between potential suppliers	Procurement and Commissioning Strategy Procurement and Contracts Officer Internal monitoring of supplier spends Publication of Contracts Register Code of Conduct Register of interests, gifts and hospitality Contract Management Training and Guidance	16	8
Procurement (Purchases)	Purchase of items for personal use or profit through resale	Authorisation controls through Civica Financials Purchasing and Creditors systems Monitoring of Purchase Card transactions Inventories Budget Monitoring Training and Guidance	12	4

Risk Area	Risk	Mitigation	Inherent Score	Residual Score
Procurement (Payments)	Redirection of payments to third party bank accounts through fraudulent submission of changes in bank details	Restrictions on officer abilities to modify supplier bank details Checking, review and authorisation procedures Training and Guidance	16	8
Payroll (Bogus employees)	Creation of bogus ('ghost') employees	Documentary evidential requirements Checking, review and authorisation procedures Independent headcount reconciliation	9	3
Payroll (Overtime/Claims)	Fraudulent overtime or expenses claims	Documentary evidential requirements Checking, review and authorisation procedures	9	4
Human Resources (Applications)	False employment applications	Documentary evidential requirements Checking, review and authorisation procedures	12	4
Human Resources (Sickness)	False claims for sickness absence	Documentary evidential requirements Checking, review and authorisation procedures	12	4
Planning	Intentionally false or misleading information contained within planning applications	Documentary evidential requirements Officer site visits Checking, review and authorisation procedures	12	4
Grant Aid	Fraudulent grant applications for work or activities not carried out or by ineligible groups or individuals	Documentary evidential requirements Knowledge of local community groups and individuals	9	3
Money Laundering	Money Laundering, often in the form of significant cash overpayments then followed by an electronic or cheque refund	Anti-Money Laundering Policy and Procedures Reporting channels to Money Laundering Reporting Officer (MLRO) and Internal Audit Reviews of customer account credit balances Limited cash transactions Training and Guidance	12	3

Risk Area	Risk	Mitigation	Inherent Score	Residual Score
Internal Fraud and Corruption (Inducements)	Inappropriate favourable treatment of a supplier/customer/ applicant by a Council officer, often in exchange for financial reward.	Code of Conduct Disciplinary Procedure Whistleblowing Procedure Declarations of Interest Review/authorisation processes for decision making Training and Guidance	9	4
Internal Fraud and Corruption (Theft)	Theft of cash or other physical assets	Limited Petty Cash floats Bank Reconciliation Inventories Training and Guidance	9	4
Internal Fraud and Corruption (Payments)	Redirection of payments to personal bank accounts	Restrictions on officers modifying supplier bank details Checking, review and authorisation procedures Training and Guidance Detection and prevention of 'phishing' emails	9	3
Internal Fraud and Corruption (Improper Use)	Improper personal use of Council assets (such as vehicles and fuel)	Code of Conduct Tachographs Monitoring of fuel usage Vehicle Tracking (Masternaut) Training and Guidance	9	4
Licensing	Fraudulent applications for new or renewed licences	Documentary evidential requirements Checking, review and authorisation procedures Data-matching exercises through NFI	12	4

Risk Area	Risk	Mitigation	Inherent Score	Residual Score
Insurance Fraud (Claims)	False, inflated or duplicate claims	Documentary evidential requirements Checking, review and authorisation procedures Internal and external (insurance company) monitoring of claims	12	3
Cybercrime (System Outage)	System outage, operational disruption, financial loss and / or reputational damage as a result of a targeted cyber attack	Firewalls and similar ICT security systems Disaster Recovery and Business Continuity Plans Frequent initial and refresher training for all staff	25	5
Cybercrime (Data Breach)	Loss of data and / or data breach as a result of targeted cyber attack	Firewalls and similar ICT security systems Disaster Recovery and Business Continuity Plans Frequent initial and refresher training for all staff	20	4
Cybercrime (Internal Theft)	Intentional theft of data by an employee	Code of Conduct Disciplinary Procedure Frequent initial and refresher training for all staff	12	6

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Report of the Chief Audit and Control Officer

GOVERNANCE DASHBOARD – MAJOR PROJECTS1. Purpose of Report

To provide the Committee with an update to the 'Governance Dashboard' relating to the Council's major projects.

2. Recommendation

The Committee is asked to NOTE the report.

3. Detail

The Council currently has four major projects in progress: the Housing Delivery Plan, Stapleford Towns Fund, Kimberley Levelling Up Fund and the UK Shared Prosperity Fund. As part of Internal Audit's role in providing independent assurance over the governance arrangements in place at the Council, an Annual 'Governance Dashboard' report relating to these projects is provided to this Committee.

The first part of this report (appendix one) provides an update on recent work performed by Internal Audit regarding the four projects. The second part of this report (appendix two) comprises the checklist, completed by managers involved in the projects, detailing the governance arrangements in place for each project.

Over the lifetime of these projects, Internal Audit also carries out scheduled audits of each project as part of the Annual Audit Plan. The findings, and any recommendations, arising from these scheduled audits, are reported to this Committee as part of the regular Internal Audit Progress Reports presented at each meeting.

Internal Audit is pleased to report that no issues have been noted with the governance arrangements for the four projects currently in progress. The sole point to which this Committee's attention is drawn is that the governance arrangements for the Kimberley Levelling Up Fund are, at the time of writing, at the 'draft' stage. Internal Audit has reviewed the proposed arrangements and identified no significant issues. A verbal update on this matter will be provided by the Chief Audit and Control Officer at this meeting of the Committee.

4. Financial Implications

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

Under the Council's Constitution, this Committee is responsible for overseeing the maintenance of the Council's internal control environment and for monitoring and making recommendations regarding the Council's corporate

governance arrangements. The importance of good governance cannot be overstated in the successful management of these major projects which are key to the delivery and sustainability of the Council's services to its communities. Whilst there are no direct financial implications resulting from this report, a strong governance, risk management and internal control framework will support sound decision making and complement the financial and performance management arrangements in place.

5. Legal Implications

The comments from the Head of Legal were as follows:

Whilst there are no direct legal implications arising from this report, the Accounts and Audit (England) Regulations 2015 require specifically that a relevant body must 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards or guidance'.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable.

7. Union Comments

The comments from the Union were as follows:

Not applicable.

8. Climate Change Implications

There were no comments for Climate Change implications.

9. Data Protection Compliance Implications

This report does not contain any [OFFICIAL (SENSITIVE)] information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

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

11. Background Papers

Nil.

APPENDIX 1**GOVERNANCE DASHBOARD – INTERNAL AUDIT****Housing Delivery Plan**

A scheduled audit of the Housing Delivery Plan was completed as part of the Internal Audit Plan for 2021/22. The findings and recommendations arising from the audit were reported to this Committee as part of the regular Internal Audit Progress Report in July 2021.

The audit opinion was that of a ‘substantial’ (the highest) level of assurance. All three recommendations made in the audit report have since been implemented by management as previously reported to this Committee.

Since the completion of the above-detailed scheduled audit, Internal Audit has continued to monitor the progress of the project. No issues with the governance arrangements for the project have been noted during this time. A fresh scheduled audit of the Housing Delivery Plan is included within the Internal Audit Plan for 2023/24. The results of this audit will be reported to this Committee in due course.

Stapleford Towns Fund

A scheduled audit of the Stapleford Towns Fund was completed as part of the Internal Audit Plan for 2022/23. The findings and recommendations arising from the audit were reported to this Committee as part of the regular Internal Audit Progress Report in March 2023.

The audit opinion was that of a ‘substantial’ (the highest) level of assurance. As no significant issues were noted during the course of the audit, no specific recommendations to address deficiencies in project governance arrangements were made.

Since the completion of the above-detailed scheduled audit, Internal Audit has continued to monitor the progress of the project. No issues with the governance arrangements for the Stapleford Towns Fund have been noted during this time. A fresh scheduled audit of the Stapleford Towns Fund will be considered for inclusion within the Internal Audit Plan for 2024/25.

Kimberley Levelling Up Fund

An audit of the Kimberley Levelling Up Fund is included within the Internal Audit Plan for 2023/24. This audit has not yet commenced and is scheduled for completion in December 2023. Internal Audit has, however, continued to monitor the progress of the project through review of relevant Cabinet reports, management reports, attendance at workshop events and discussions with the project managers.

No significant issues have arisen during this time. It is, however, noted that the governance arrangements for the Kimberley Levelling Up Fund are, at the time of writing, at the ‘draft’ stage. Internal Audit has reviewed the proposed arrangements

and identified no significant issues. A verbal update on this matter will be provided by the Chief Audit and Control Officer at this meeting of the Committee.

Shared Prosperity Fund

An audit of the Shared Prosperity Fund is included within the Internal Audit Plan for 2023/24. This audit has not yet commenced and is scheduled for completion in December 2023. Internal Audit has, however, continued to monitor the progress of the project through review of relevant Cabinet reports, management reports and discussions with the project managers.

No significant issues have arisen during this time. The results of the scheduled audit will be reported to this Committee at the meeting immediately following completion.

APPENDIX 2

GOVERNANCE DASHHOARD – COMPLIANCE CHECKLIST

The following table comprises the responses of the Project Sponsors and other relevant senior managers to the Compliance Checklist devised to provide an overview of the governance arrangements in place for each of the Council’s four major projects. As noted in appendix one, the governance arrangements for the Kimberley Levelling Up Fund are, at the time of writing, in draft form only. This table details the proposed draft arrangements.

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
Project Board:	Cabinet	Stapleford Towns Fund has an Executive Board (51% of which, including the Chair, must be non-public sector). The Project Delivery Board sits underneath the Executive Board to drive delivery.	Strategic Partnership Board proposed, with no more than 17 members and Broxtowe Borough Council to have a majority on the Board. There is a Financial Control Group Chaired by the Deputy Chief Executive to ensure due diligence.	The Project receives its Governance from Cabinet and works to an Investment Plan agreed by DHLUC.
Officer Working Group or other Stakeholder Group:	Housing Delivery Group	All the projects are supported by a cross-departmental officer working group. Some projects also have a steering group; some have stakeholder consultation as a process. The grants have an independent advisory panel.	Project Groups to sit beneath Strategic Board, consisting of stakeholders with Officers as appropriate.	There is a Members Advisory Panel supported by Officers to consider three themes and projects.

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
Project Sponsor and/or Senior Responsible Owner:	Deputy Chief Executive	Chief Executive Deputy Chief Executive	Chief Executive Deputy Chief Executive	Leader of the Council Chief Executive
Project Manager:	Interim Housing Delivery Manager	Regeneration Manager	Economic Development and Regeneration Manager	Economic Development Manager (Shared Prosperity Project Officer)
Business Case/Project Plan: Has the business plan been approved by a Committee(s)?	The Housing Delivery Plan (including the business plan) was approved by Housing Committee in June 2019.	The 6 Stapleford Towns Fund final business cases have been fully approved by Government and were previously agreed when the TIP was endorsed by the Council	The bids included comprehensive business project case information approved by government in the LUF bid.	No, but the Investment Plan has been signed off by Cabinet.

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>Has the project vision, objectives, delivery strategy been defined?</p>	<p>Project vision, objectives and delivery/action plan identified in the Housing Delivery Plan.</p>	<p>Yes. For each, project a draft project vision was agreed by the Board, then business cases for each potential project were developed and went through external assurance with Thomas Lister. Then project summary reports were provided. The updated Local Assurance Framework provided detail on delivery, governance and performance monitoring.</p>	<p>Yes. Vision and Objectives for each of the three main projects and a delivery strategy were written as part of the LUF bid.</p>	<p>The Programme is prescribed by the Government.</p>
<p>Is there a delivery/action plan?</p>	<p>A delivery/action plan was identified in the Housing Delivery Plan.</p>	<p>A timeline for delivery of the bid has been agreed. Final business cases for each project outlines individual timelines. Detailed action plans are being developed.</p>	<p>A timeline for delivery of the bid has been agreed, but individual timelines will need refining as the funding stream from central government was provided six months later than expected. This impacts some work (e.g. work scheduled outside normal periods of use). Detailed action plans are being developed.</p>	<p>The Programme is prescribed by the Government.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
Have outcome targets been set and is performance regularly monitored?	Targets are identified and monitored through the Housing Delivery Group meetings, the Housing Capital Programme and Cabinet reports.	Outputs and outcome targets have been set in each project’s business case and performance monitoring is detailed in the M & E plan. Submitted twice annually to DHLUC. Spend is also a target.	Outputs and outcome targets have been set and performance monitoring is reviewed regularly. Submitted twice annually to DHLUC Spend is also a target.	Outputs and outcome targets have been set and performance monitoring is reviewed regularly. Submitted three times per year to DHLUC Spend is also a target.
Is the Business Case subject to regularly review and updated?	Yes, through the Housing Delivery Group and Cabinet reports.	Business cases are not now subject to review. Rather, the projects are being reviewed via risk assessment. ‘Programme and Viability’ is one of the key criteria for projects that are now in the process of being delivered.	Business cases are not now subject to review. Rather, the projects are being reviewed via risk assessment. ‘Programme and Viability’ is one of the key criteria for projects that are now in the process of being delivered.	Not applicable.
Project Board: Has a project board been established?	Yes – the Housing Delivery Group	Yes. Executive Board established. Delivery Board also in place.	No. The Board is scheduled to meet for the first time in September 2023 Board Proposal and Terms of Reference in final stages of being agreed.	Members Advisory Panel as agreed by Full Council in May 2023. The panel has met twice.

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
What is its meeting frequency?	The Housing Delivery Group meets monthly.	The Executive Board meets quarterly. Delivery Board, six-weekly.	Proposed that Strategic Board will meet at least three times a year. Project Delivery Groups will meet at initial 6 week frequencies but will adjust as needed.	The Members Advisory Panel will meet when a new grant is being assessed or new funding decisions are required – it is designed to ‘in fill’ between Cabinet Cycles.
Who attends the meetings?	The Group is chaired by the Deputy Chief Executive, serviced by the Interim Housing Development Manager and comprises of Officers from Housing, Finance Services, Planning, Legal Services and Estates.	Meetings are well attended by those who are on the Board and are always quorate. Board Members are entitled to attend Officers, consultants and stakeholders by invitation. The Delivery Board comprises the Chief Executive, Deputy Chief Executive, Chair of the Board, Head of Asset Management and Development, Procurement and Contracts Officer, Regeneration Manager and at least 1 other officer. Other Officers and consultants in attendance as required.	As there have been no meetings, and no one has been appointed it is not possible to answer this question. other Officers and consultants in attendance.	The Leader, Deputy Leader, Portfolio Holder and three other Members. Other Officers and consultants in attendance – the Economic Development Manager and Project Officer also attend as does a Democratic Services Officer.

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>How have Board Members been identified and appointed – is this based upon any particular skillset?</p>	<p>Officers from Housing, Finance Services, Planning, Legal Services and Estates.</p>	<p>For the Delivery Board this is based on the key criteria commercial, finance, legal, procurement and construction. There is a need to provide secretariat too.</p> <p>The Executive Board is made up of private, public and third sector members, with a majority from the private sector. The local MP, Darren Henry, is also on the Board.</p> <p>Representativeness of tiers of government and private sector leadership is crucial. The membership is from the local town business owners, Town Council, local voluntary sector as well as the LEP & Nottinghamshire County Council, Stapleford Town Council, Broxtowe MP, and the third sector. New Business Board Members must apply and be voted on board.</p>	<p>Draft Terms of Reference refer to 17 members, one of whom must be an MP. The Chief Executive will be the Chair and Kimberley Town Council will appoint their own representatives</p> <p>It is envisaged that the Executive Board will be made up of private, public and third sector members. The MP will be the Member of Parliament covering Kimberley, Darren Henry, and there will be representatives from local town business owners, Members and senior Officers from this Council, Nottinghamshire County Council, and Kimberley Town Council.</p> <p>To be approved by Cabinet.</p>	<p>The Advisory Panel is elected Members with experience of the communities of Broxtowe.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
Have roles been established and has authority and responsibilities been defined?	Roles have been established and responsibilities identified.	A chair/vice-chair have been appointed. Their powers are as agreed by the Board and outlined in the Local Assurance Framework. Otherwise they have no individual decision making authority.	No. Draft Terms of Reference indicate the Chair of the Strategic Board will be the Chief Executive; a Financial Control and Monitoring Group will be led by the Deputy Chief Executive, with at least one member of Kimberley Town Council on this group along with the Monitoring Officer	The Leader chairs the meetings.
Has decision making authority been defined to comply with Financial Regulations/Scheme of Delegation (committee approval or delegated powers)?	All proposals are agreed by the Group and then taken to GMT and Cabinet as required or dealt with under Delegated Powers and Financial Regulations.	Yes. Any expenditure complies with Financial Regulations and work is subject to tendering as required by Financial Regulations. The Deputy Chief Executive attends and has oversight of these meetings.	Yes. Any expenditure complies with Financial Regulations and work is subject to tendering as required by Financial Regulations. The Deputy Chief Executive will Chair the Financial Control and Monitoring Group.	Yes. Any expenditure complies with Financial Regulations and work is subject to tendering as required by Financial Regulations. The Deputy Chief Executive will be the final point of oversight as per Government Rules.

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>Have any potential conflicts of interest been identified and duly declared?</p>	<p>Yes</p>	<p>Declarations of interest is a regular item on the agenda. Board membership includes developers and an estate agent. If there be a failure to declare any conflict, the Standards regime would be unable to hold private sector Board members to account. However, criminal law would apply if a fraud had occurred.</p>	<p>Not yet applicable, but once the Board meets these will be sought and declared. Terms of Reference highlight the separation of financial affairs in a separate monitoring group, and project group members would not be able to vote on issues affecting ‘their’ projects.</p>	<p>All interests are declared and minuted.</p>
<p>Is an agenda prepared and are meeting minutes taken?</p>	<p>Agendas and minutes are prepared for each monthly meeting. A report is presented to Members on a quarterly basis via ‘Members Matters’ which includes a programme update, finance update and covers items for Committee approval.</p>	<p>Yes. Every meeting has an agenda and is minuted. For the Executive Board redacted versions of these are publicly available.</p>	<p>These will be, when meetings begin.</p>	<p>Yes, by Democratic Services.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
Project/Delivery Plan: Has a project/delivery plan been prepared?	The project has an approved Housing Delivery Plan which will be updated at key trigger dates.	Yes. There is a project plan which is kept up to the date for each of the 6 projects	Yes. There is a project plan up to the date of submission. A programme of work exists, taking into account the delays in government funding. We are transitioning into the work programme and assigning project managers to each of the projects.	Yes. This corresponds to the YR2 and YR3 Implementation Plans and the Initial Investment Plan.
Are these plans regularly reviewed and updated?	The plans are reviewed by the Housing Delivery Group and Cabinet.	The Delivery Board reviews plans every 6 weeks. Overall Progress is reviewed on a quarterly basis in line with Executive Board meetings.	Moving forward, the current plan will be reviewed on a regular basis in line with Strategic Board meetings.	Not applicable.
Reporting to Key Stakeholders and Members: Is there any scrutiny of strategic decision making by Members?	Yes – at Cabinet	Members are included on the Board (including opposition group members). Progress is reported to Cabinet where scrutiny occurs.	Members will be included on the Board. Progress has been, and will continue to be, reported to Cabinet.	Progress has been, and will continue to be, reported to Cabinet.
What is the lead Committee?	Cabinet	Cabinet	Cabinet	Cabinet

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>Are the outcomes of the Project Board meeting (i.e. minutes, action plans, risk registers) reported to GMT, political leaders and/or the appropriate Committee(s)?</p>	<p>An update report on the Housing Delivery Plan has been prepared for every Housing Committee since October 2019. Since the cabinet system has been introduced a report is now taken to Members through 'Members Matters' on a quarterly basis.</p> <p>Main outcomes from the Housing Delivery Group are reported to GMT, Committee Chairs and/or Cabinet. Senior Officers have most of the authority required to approve the mechanics of delivering the programme within the agreed budget.</p>	<p>Yes. Cabinet receive reports on progress. GMT see all papers on their way to Cabinet.</p>	<p>They will be, once meetings commence.</p>	<p>Yes. Cabinet receive reports on progress.</p>
<p>What is the frequency of these update reports?</p>	<p>As per the appropriate Cabinet and 'Members Matters' cycles.</p>	<p>Quarterly or as and when a major decision is required.</p>	<p>This will be tri-annually or as and when a major decision is required.</p>	<p>At least annually or as and when a major decision is required.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>Budget/Financial Management: Do operations take due regard of the Council Financial Regulations?</p>	<p>All operations take regard of the Council’s Financial Regulations.</p>	<p>Yes. Expenditure is in accordance with the Council’s Financial Regulations. This is overseen by the Deputy Chief Executive who attends Executive Board meetings and works with the Economic Development team. The Council needs to take into consideration the Memorandum of Understanding it has signed with DHLUC.</p>	<p>Yes. A Financial Control and Monitoring Group will exist outside the Strategic Board and will be chaired by the Deputy Chief Executive. The Council needs to take into consideration the Memorandum of Understanding it has signed with DHLUC.</p>	<p>Yes. decisions are signed-off by the Deputy Chief Executive. The Council needs to take into consideration the Memorandum of Understanding it has signed with DHLUC.</p>
<p>Has the budget been approved? By whom and when?</p>	<p>Budget approved by Finance and Resources Committee on 19 October 2019 and revised in subsequent years’ budget process.</p>	<p>Yes, Government awarded £21.1m. The budget for the project is reported regularly to the Towns Fund Board.</p>	<p>Yes, Government awarded £16.4 million, with specified budgets for each sub-project.</p>	<p>Yes, Government awarded £2.6 million, with specified budgets for each sub-project.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>What are the arrangements for monitoring and reporting financial performance?</p>	<p>Monitoring and reporting of Financial performance is undertaken by the Head of Finance Services and the Project Manager on a quarterly basis for Cabinet.</p>	<p>Reported to every meeting of the Board and progress reported to the Cabinet. There is currently some consideration of a Capital Monitoring Group. The Delivery Board must sign-off DHLUC returns.</p>	<p>A Financial Control and Monitoring Group will exist outside the Strategic Board. This will feed into both Quarterly LUF monitoring and the Strategic Board. There is currently some consideration of a Capital Monitoring Group.</p>	<p>The Chief Executive and Deputy Chief Executive sign off the monitoring reports.</p>
<p>Is financial performance considered by Project Board, GMT and/or Committee(s)?</p>	<p>Yes, by Cabinet.</p>	<p>Financial performance is a matter covered in progress reports to Cabinet.</p>	<p>Financial performance is a matter covered in progress reports to Cabinet.</p>	<p>Financial performance is a matter covered in progress reports to Cabinet.</p>
<p>Procurement/Contracts/Legal How do you ensure compliance with procurement regulations and internal process (Contract Financial Regulations)?</p>	<p>The procurement of contracts is carried out in line with procurement regulations and the Council's Financial Regulations.</p>	<p>Tendering in accordance with Financial Regulations. The Local Assurance Framework is a requirement of Government for this project – the Procurement Manager is also a member of the Delivery Board. The Deputy Chief Executive has final oversight.</p>	<p>Tendering in accordance with Financial Regulations. The Memorandum of Understanding provides another level of assurance and compliance to be followed. The Delivery Plan has further details on procurement. Permission from Cabinet has been agreed to use Framework Contracts where necessary.</p>	<p>Tendering in accordance with Financial Regulations. The Memorandum of Understanding provides another level of assurance and compliance to be followed.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>How do you ensure compliance with contractual terms and other legal matters?</p>	<p>All contracts are signed by the appropriate officer under delegated powers. The Legal department are consulted on significant contracts. Cabinet approval is also sought if required for the contracts.</p>	<p>Written agreement as to the work that is required is agreed prior to the commencement of work. Should anything deviate from this, the agreed reporting procedures are used. For major works, a contract will be put in place.</p>	<p>Written agreement as to the work that is required is agreed prior to the commencement of work. For major works, a contract will be put in place.</p>	<p>Written agreement as to the work that is required is agreed prior to the commencement of work. For major works, a contract will be put in place.</p>
<p>Risk Management: Has the project 'risk appetite' been defined considering the acceptable levels of risk in strategic, financial, operational, regulatory and reputational terms, and is this used to inform risk management?</p>	<p>Risk is discussed at length at the Housing Delivery Group on a scheme by scheme basis.</p>	<p>Yes, this is in line with the Council's 'risk appetite'.</p>	<p>Yes, this is in line with the Council's 'risk appetite'.</p>	<p>Yes, this is in line with the Council's 'risk appetite'.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>How are risks managed at project level? Do these feed into the Council's strategic risks?</p>	<p>Risk is discussed at length by the Group. Schemes have to work within the constraints of the HRA Business Plan and the Housing Capital Programme. Work is being undertaken to agree a financial appraisal for housing delivery programme. Risk for new opportunities is carefully considered by the Project Manager on a scheme by scheme basis.</p>	<p>Risk management will be in line with established techniques using a pre and post mitigation framework similar to those in the PRINCE2 risk management Framework. We have a risk register for each project which is reviewed and re-scanned regularly. This is a feature of our regular DHLUC reporting.</p>	<p>Risk management will be in line with established techniques using a pre and post mitigation framework similar to those in the PRINCE2 risk management Framework. We have a risk register for each project which is reviewed and re-scanned regularly. This is a feature of our regular DHLUC reporting.</p>	<p>This is a feature of our regular DHLUC reporting and we review delivery at regular schedules of intervention, depending on the scale of individually funded projects.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>Is a risk register prepared and is this regularly maintained and reviewed by the Project Board?</p>	<p>Yes. The next discussion of this is scheduled to be September 2023.</p>	<p>Each business case has a risk register. This continues to be updated and reported throughout delivery. This risk register will be maintained by the Project Manager and is reported to the Delivery Board and by exception to the Executive Board. It will then go through the normal internal reporting channels as outlined previously.</p>	<p>Each project has a risk register. This will continue to be updated and reported throughout delivery. This risk register will be maintained by the Project Managers and reported to the Financial Monitoring and Control Group and escalated to the Strategic Board as necessary and, where needed, other internal reporting channels.</p>	<p>Only for the whole programme - there are too many sub projects and grant funds to do this overall (most of the funds are allocated to revenue). The biggest risk is claw-back through underspends.</p>
<p>Is the risk register more widely reported and reviewed?</p>	<p>Not currently</p>	<p>Each business case has a risk register. This is reported on now each of the projects moves towards in different stages of delivery. This risk register is maintained by the Project Manager and reported to the Delivery Board and by exception to the Executive Board. It will then go through the normal internal reporting channels as outlined previously.</p>	<p>Each risk register will be updated and reported each quarter for LUF monitoring, and therefore have been agreed previously with the Project Groups and Strategic Board.</p>	<p>Reviewed three times per year by the Chief Executive and Deputy Chief Executive.</p>

Major Project:	Housing Delivery Plan	Stapleford Towns Fund	Kimberley Levelling Up Fund (Proposed)	Shared Prosperity Fund
<p>Have risk tolerances been agreed in terms of cost, time and quality and are there clear escalation levels should the level of risk be outside these limits.</p>	<p>Schemes are not progressed where the likelihood of securing planning permission is not viable. The nature of residential development is that abortive costs will be accrued for development opportunities that are initially worked up but which are not ultimately developed. The level of acceptable abortive costs for sites (both Council owned and privately owned) needs to be agreed.</p>	<p>Project risks for the Business Cases have been outlined with corresponding risk management plans have been created in line with government requirements. Contingency have been included to account for current market instability. This is a regular reviewed item within the register. The basic principle is that the Council will not fund above the grant ceiling.</p>	<p>Project risks have been outlined with corresponding risk management plans created in line with requirements. The basic principle is that the Council will not fund above the grant ceiling</p>	<p>Yes. The basic principle is that the Council will not fund above the grant ceiling.</p>
<p>Other Considerations Any other considerations for inclusion in the dashboard report.</p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>This is predominantly a revenue-based programme administered by Broxtowe in line with an agreed series of activities prescribed by the funder, DHLUC.</p>

Report of the Deputy Chief Executive

REVIEW OF STRATEGIC RISK REGISTER1. Purpose of report

To approve the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

2. Recommendation

The Committee is asked to RESOLVE that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out be approved.

3. Detail

In accordance with the corporate Risk Management Strategy, the Strategic Risk Management Group met on 16 August 2023 to review the Strategic Risk Register. General Management Team (GMT) has since considered the proposals made by the Group. The objectives of the review were to:

- Identify the extent to which risks included in the register are still relevant
- Identify any new strategic risks to be included in the register
- Review action plans to mitigate risks.

A summary of the risk management process is included in appendix 1. The Risk Management Strategy includes a '5x5' risk map matrix to assess both the threats and opportunities for each strategic risk in terms of both the likelihood and impact. The risk map is included to assist the understanding of the inherent and residual risk scores allocated to each strategic risk. These scores will be considered further and amended as necessary in due course.

Details of the proposed amendments to the Strategic Risk Register and actions resulting from the process are attached in appendix 2. The full Strategic Risk Register incorporating the proposed amendments is available on the intranet. An extract from the register of the entries relating to the highest rated 'red' risks are included in appendix 3 for Members consideration.

Further reviews of the Strategic Risk Register will be reported to future meetings of this Committee.

4. Financial Implications

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

There are no direct financial implications that arise from this report. Any future additional budgetary requirements will be considered separately by Cabinet.

5. Legal Implications

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

The Strategic Risk Register is the main mechanism used by the Council to identify, assess and monitor key risks. Whilst there are no direct legal implications arising from this report, it is important to assess whether the risks identified are being effectively mitigated and managed.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Union comments in relation to this report.

8. Data Protection Compliance Implications

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

9. Climate Change Implications

Climate Change is considered in this report as a strategic risk.

10. Equality Impact Assessment

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

11. Background Papers

Nil

APPENDIX 1

REVIEW OF STRATEGIC RISK REGISTER**Introduction**

The Risk Management Strategy, as revised in December 2018, aims to improve the effectiveness of risk management across the Council. Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving its ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the Council and subsequent damage to its reputation.

The Strategy provides a comprehensive framework and process designed to support both Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The Strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that the Council has in place to manage risk successfully. The risk management process outlined within the Strategy should be used to identify and manage all risks to the Council's ability to deliver its priorities. This covers both strategic priorities, operational activities and the delivery of projects or programmes.

The Council defines risk as "the chance of something happening that may have an impact on objectives". A risk is an event or occurrence that would prevent, obstruct or delay the Council from achieving its objectives or failing to capture business opportunities when pursuing its objectives.

Risk Management

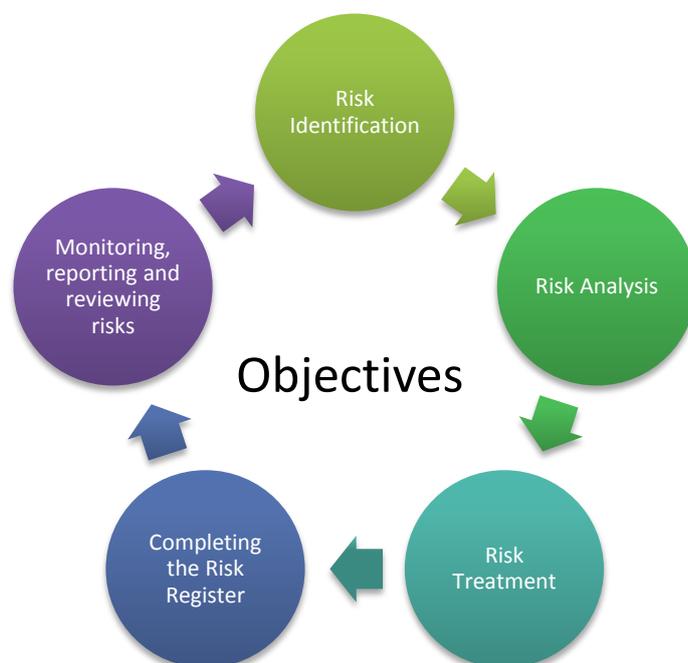
Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

Risk management covers the whole range of risks and not just those associated with finance, health and safety and insurance. It can also include risks as diverse as those associated with reputation, environment, technology and breach of confidentiality amongst others. The benefits of successful risk management include:

- Improved service delivery with fewer disruptions, efficient processes and improved controls
- Improved financial performance and value for money with increased achievement of objectives, fewer losses, reduced impact and frequency of critical risks
- Improved corporate governance and compliance systems with fewer legal challenges, robust corporate governance and fewer regulatory visits
- Improved insurance management with lower frequency and value of claims, lower impact of uninsured losses and reduced premiums.

Risk Management Process

The Council’s risk management process has five key steps as outlined below.



Process Step	Description
Risk Identification	Identification of risks which could significantly impact the Council’s aims and objectives – both strategic and operational.
Risk Analysis	Requires consideration to the identified risks potential consequences and likelihood of occurring. Risks should be scored against the Council’s risk matrix
Risk Treatment	Treat; Tolerate; Transfer; Terminate – Identify which solution is best to manage the risk (may be one or a combination of a number of treatments)
Completing the Risk Register	Document the previous steps within the appropriate risk register. Tool for facilitating risk management discussions. Standard template to be utilised to ensure consistent reporting.
Monitoring, reporting and reviewing the risks	Review risks against agreed reporting structure to ensure they remain current and on target with what is expected or manageable.

Risk Matrix

		Risk – Threats				
Likelihood	Almost Certain – 5	5	10	15	20	25
	Likely – 4	4	8	12	16	20
	Possible – 3	3	6	9	12	15
	Unlikely – 2	2	4	6	8	10
	Rare – 1	1	2	3	4	5
		Insignificant – 1	Minor – 2	Moderate – 3	Major – 4	Catastrophic – 5
		Impact				

Risk Rating	Value	Action
Red Risk	25	Immediate action to prevent serious threat to provision and/or achievement of key services or duties
	15 to 20	Key risks which may potentially affect the provision of key services or duties
Amber Risk	12	Important risks which may potentially affect the provision of key services or duties
	8 to 10	Monitor as necessary being less important but still could have a serious effect on the provision of key services
	5 to 6	Monitor as necessary to ensure risk is properly managed
Green Risk	1 – 4	No strategic action necessary

APPENDIX 2

Strategic Risk Register – Summary of Proposed Changes

Inherent Risk – Gross risk **before** controls and mitigation

Residual Risk – Risk remaining **after** application of controls and mitigating measures

Risk	Inherent Risk	Residual Risk	Changes
<p>1. Failure to maintain effective corporate performance management and implement change management processes</p> <p><i>The position with regards to this risk is unchanged.</i></p>	20	<p>4</p>  <p>Green</p>	<p>The action to deliver updated training on the PRINCE2 project management framework was deleted. The 'Project Centre' on the Intranet includes the PRINCE2 Lite arrangements in place and contains an explanation of the process, the criteria relating to project values and all of the pro-forma documents and guidance necessary to run a PRINCE2 Lite project.</p>
<p>2. Failure to obtain adequate resources to achieve service objectives</p> <p><i>The position with regards to this risk is unchanged.</i></p>	20	<p>16</p>  <p>Red</p>	<p>The ongoing 'cost of living crisis' and high inflation which is keeping this risk as one of the highest rated red risks.</p> <p>A new action was proposed to consider opportunities to utilise any identified surplus office space.</p>
<p>3. Failure to deliver the Housing Revenue Account (HRA) Business Plan</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had worsened.</i></p>	25	<p>12</p>  <p>Amber</p>	<p>High inflation and the 'cost of living crisis' continues to have an impact upon the HRA service provision and financial position.</p> <p>The action to assess any potential implications from the Social Housing Bill was updated to ensure ongoing compliance with legislation in the Social Housing (Regulation) Act 2023.</p> <p>The action to implement a customer portal to allow tenants to report requests for repairs and to review their rent account was deleted as this is no longer required.</p> <p>The action to complete the review of the HRA 30-Year Business Plan, in conjunction with external consultants, with the outcome to be reported to Cabinet was updated to refer to the meeting on 3 October 2023.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>3a. Failure to deliver a Housing Repairs and Compliance Service which meets Right to Repair and Compliance legislation</p> <p><i>The residual risk score has been revised after it was considered that the position with regards to this risk had improved.</i></p>	20	<p>12</p>  <p>Amber</p>	<p>The action to establish a new Compliance team has been completed.</p> <p>Given the progress that has been made following the establishment of the new Compliance team to manage the risks in this area, it was agreed that the residual risk score be reduced from 15 (Red Risk) to 12 (Amber Risk).</p>
<p>4. Failure of strategic leisure initiatives</p> <p><i>The position with regards to this risk is unchanged.</i></p>	25	<p>20</p>  <p>Red</p>	<p>The action to assess the financial implications and risks associated with options for a replacement Bramcote Leisure Centre, including considering the outcomes of the commissioned consultancy reports (RIBA1 and financial due diligence) at Cabinet on 25 July 2023 to agree the next steps was completed.</p> <p>The action to consider and respond to the request from The Kimberley School regarding the financial viability of keeping the swimming pool open at Kimberley Leisure Centre – Cabinet 4 July 2023 was also completed.</p>
<p>5. Failure of Liberty Leisure (LLL) trading company</p> <p><i>The position with regards to this risk is unchanged.</i></p>	25	<p>12</p>  <p>Amber</p>	<p>The action to consider and respond to the request from The Kimberley School regarding the financial viability of keeping the swimming pool open at Kimberley Leisure Centre – Cabinet 4 July 2023 was also completed.</p>
<p>6. Failure to complete the re-development of Beeston town centre</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had worsened.</i></p>	25	<p>8</p>  <p>Amber</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p>Progress also continues to be made with the action to identify suitable tenants and complete the letting of units in Phase 3 of the redevelopment (the 'Argos block').</p> <p>In view of the recent news of a major high street retailer going into administration, it was considered that the position with regards to this risk had worsened, although the residual risk score does not need to change.</p>

Risk	Inherent Risk	Residual Risk	Changes
7. Not complying with legislation <i>The position with regards to this risk is unchanged.</i>	25	6  Amber	The action to monitor any changes relating to the Housing Regulatory Framework from April 2023 to ensure ongoing compliance with legislation was updated to ensure ongoing compliance with legislation in the Social Housing (Regulation) Act 2023.
8. Failure of financial management and/or budgetary control and to implement agreed budget decisions <i>The position with regards to this risk is unchanged.</i>	25	4  Green	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
9. Failure to maximise collection of income due to the Council <i>The position with regards to this risk is unchanged</i>	20	9  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk. In respect of the action to monitor the rate of void Housing premises and to actively identify suitable actions to relet and/or reuse these properties, it was noted that void rates/periods have improved considerably.
10. Failure of key ICT systems <i>The position with regards to this risk is unchanged.</i>	25	15  Red	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk. The action to review the corporate and departmental Business Continuity Plans is almost complete. Work is continuing to complete the last remaining plans.
11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations <i>The position with regards to this risk is unchanged.</i>	20	4  Green	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.

Risk	Inherent Risk	Residual Risk	Changes
12. Failure to engage with partners/community to implement the Broxtowe Borough Partnership Statement of Common Purpose <i>The position with regards to this risk is unchanged</i>	15	4  Green	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
13. Failure to contribute effectively to dealing with crime and disorder <i>The position with regards to this risk is unchanged</i>	15	3  Green	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
14. Failure to provide housing in accordance with the Local Development Framework <i>The position with regards to this risk is unchanged</i>	20	12  Amber	<p>The action to ensure all necessary infrastructure requirements are delivered to facilitate the development of the housing sites determined at Jobs and Economy Committee for inclusion in the Part 2 Local Plan was updated to ensure all necessary infrastructure requirements are delivered to facilitate the development of the allocated housing sites.</p> <p>The action to monitor progress on the potential creation of a Development Corporation including land at Toton and the Chetwynd Barracks site was updated to monitor progress of the East Midlands Development Company which includes land at Toton and the Chetwynd Barracks site.</p> <p>The action to undertake a consultation on the Toton and Chetwynd Masterplan was completed, with the Supplementary Planning Document (SPD) adopted.</p>
15. Natural disaster or deliberate act, which affects major part of the Authority <i>The position with regards to this risk is unchanged</i>	15	12  Amber	The action to review the corporate and departmental Business Continuity Plans is almost complete. Work is continuing to complete the last remaining plans.
16. Failure to mitigate the impact of the Government's welfare reform agenda <i>The position with regards to this risk is unchanged</i>	20	4  Green	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.

Risk	Inherent Risk	Residual Risk	Changes
17. Failure to maximise opportunities and to recognise the risks in shared services arrangements <i>The position with regards to this risk is unchanged</i>	20	9  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
18. Corporate and/or political leadership adversely impacting upon service delivery <i>The position with regards to this risk is unchanged</i>	20	8  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
19. High levels of sickness <i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i>	16	6  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
20. Inability to recruit and retain staff with required skills and expertise to meet increasing demands and expectations. <i>The position with regards to this risk is unchanged</i>	20	12  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
21. Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc. <i>The position with regards to this risk is unchanged</i>	20	6  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
22. Unauthorised access of data <i>The position with regards to this risk is unchanged</i>	20	6  Amber	The action to review the corporate and departmental Business Continuity Plans is almost complete. Work is continuing to complete the last remaining plans.
23. High volumes of employee or client fraud <i>The position with regards to this risk is unchanged</i>	20	9  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk. The Annual Counter Fraud Report has been produced for consideration as part of this Committee agenda.

Risk	Inherent Risk	Residual Risk	Changes
<p>24. <i>Failure to achieve commitment of being carbon neutral for the Council's own operations by 2027</i></p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>12</p> <p> Amber</p>	<p>The action to undertaken an annual review of Climate Change Strategy has been completed, with the new Strategy being adopted in July 2023.</p> <p>The action to establish a Climate Change Strategy budget was also completed. Going forward, this budget will be reviewed as part of the annual budget setting process.</p> <p>It was also noted that comments regarding the potential impacts of Climate Change are now captured on Committee reports.</p> <p>The group considered a question raised at the previous Governance, Audit and Standards Committee regarding the impact of climate change on the Council's services for example with one event (extreme hot and cold weather) potentially having multiple impacts.</p> <p>These situations are managed through operational service plans and, in extreme cases, through Business Continuity Plans. Services have proven to be resilient and flexible in reacting accordingly in these situations. That said, it is realised that climate change is having a direct impact on operational budgets, including additional street cleansing due to flooding, a reduction in garden waste collections and subscriptions due to long hot summers, additional costs of extra grass cutting and weed killing due to exceptional growth as a result of warm wet weather.</p>

APPENDIX 3

**EXTRACT OF THE STRATEGIC RISK REGISTER – AUGUST 2023 –
ENTRIES RELATING TO HIGHEST RATED ‘RED’ RISKS****Risk 2 - Failure to obtain adequate resources to achieve service objectives**

Risk Owner(s)	Inherent Risk	Residual Risk
Deputy Chief Executive Head of Finance Services	20	16

Key Controls

- Medium Term Financial Strategy
- Business Strategy
- Economic Regeneration Strategy
- Commissioning and Procurement Strategy
- Capital Strategy
- Asset Management Strategy
- Energy Procurement Strategy
- Commercial Strategy
- Land Disposals Policy

Risk Indicators

- Formula grant
- Budget gap
- Fuel and energy prices
- Income levels
- Failed bids for external funding
- General economic indicators
- Interest rates

Action Points

1. Review service objectives in response to changing resources
2. Identify and assess external funding opportunities and ensure any accompanying targets are met
3. Investigate and develop opportunities for shared service working
4. Monitor the impact of the collection of business rates upon resources available to the Council
5. Seek the disposal of surplus assets to generate additional capital receipts
6. Be alert to potential funding opportunities for town centre re-generation initiatives.
7. Identify potential budget saving opportunities
8. Maximise income from Commercial Property and Industrial Units.

9. Assess the impact of the transfer of responsibility for land charges from local authorities to HM Land Registry.
10. Work collaboratively with Nottinghamshire local authorities to maximise the recovery of business rates income.
11. Assess the potential outcome of the Fair Funding Review, including proposals for greater localisation of business rates, upon the Council's finances.
12. Produce a new Commercial Strategy to replace the previous Commercial Strategy 2017-2020.
13. Respond as necessary to the outcome of the 'Town Deal' bid for Stapleford.
14. Develop Town Investment Plans for Eastwood and Kimberley.
15. Progress with the delivery of the successful Levelling Up Fund bid for Kimberley.
16. Seek full recovery of the agreed tram compensation claim against Nottingham City Council.
17. Monitor the impact of rising inflation and the cost of living crisis on the Council's service provision and its financial position.
18. Present an updated Medium Term Financial Strategy and Business Strategy to Cabinet in September/October 2023.
19. Consider opportunities to utilise surplus office space.

Risk 4 - Failure of strategic leisure initiatives

Risk Owner(s)	Inherent Risk	Residual Risk
Deputy Chief Executive	25	20

Key Controls

- Leisure Facilities Strategy
- Leisure and Culture Service Specification
- Liberty Leisure Limited Business Plan
- External legal advice and support

Risk Indicators

- Results of consultation exercises
- Progress against business plans
- Progress against capital programme
- Events impacting upon joint use agreements
- Visitor numbers at leisure facilities
- Income at leisure facilities
- Financial viability of Liberty Leisure Limited

Action Points

1. Determine future strategy for investment in leisure facilities.
2. Review leisure opportunities arising from major developments.
3. Produce a programme to address the issues identified in the detailed property condition survey at Bramcote Leisure Centre.
4. Utilise external legal advice and support as required.
5. Establish a cross-party Task and Finish Group to consider options for potential leisure sites in the north and south of Broxtowe.
6. Work with Chilwell School to assess leisure facilities options at Chilwell Olympia Sports Centre and report back to Cabinet.
7. Forward plan any necessary capital repair works anticipated at Bramcote Leisure Centre and to submit, consider and profile the financial impact as part of the Capital Programme.

Risk 10 - Failure of key ICT systems

Risk Owner(s)	Inherent Risk	Residual Risk
Executive Director Chief Information Officer	25	15

Key Controls

- ICT Strategy
- Service agreements
- Systems mainly supplied by external supplier
- Back-up server offsite
- Security Policies
- System availability
- Server virtualisation
- Provision of emergency power supply
- Identification of failure at points of entry
- Shared service arrangements with other local authorities
- Geo-location blocking on the firewall
- Warning, Advice and Reporting Point (WARP) service
- Cyber Security Information Sharing Partnership (CISP)

Risk Indicators

- Viruses
- Computer downtime
- Overrun/failure of overnight processing
- Key financial reconciliation processes
- Customer complaints
- Backlog of works
- Appropriate staffing resources to support key systems
- Number of security incidents

Action Points

1. Monitor implementation of and regularly test the Business Continuity Plan for ICT Services
2. Pursue partnership working initiatives, where appropriate
3. Assess the impact of the National Cyber Security Standard.
4. Complete the relocation of the Backup Server from the Council Offices to Kimberley Depot by 31 December 2023.
5. Address the matters raised by the independent LGA specialist review of the Council's cyber-risk arrangements and key controls.
6. Review and refresh the corporate and departmental Business Continuity Plans by 31 July 2023.

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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.

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 • Fraud and Corruption and Prevention Policy • Money Laundering Prevention Policy • Annual Audit Letter
18 March 2024	<ul style="list-style-type: none"> • External Audit Plan 2023/24 • Statement of Accounts 2023/24 – Accounting Policies • Statement of Accounts 2023/24 – Underlying Pension Assumptions • Internal Audit Plan 2024/25 • Internal Audit Progress Report • Review of Strategic Risk Register

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.

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