



Friday, 9 May 2025

Dear Sir/Madam

A meeting of the Governance, Audit and Standards Committee will be held on Monday, 19 May 2025 in the Council Chamber, Council Offices, Foster Avenue, Beeston NG9 1AB, commencing at 6.00 pm.

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

Please note that there may be some changes to the Committee membership from the meeting of full Council on 14 May 2025. Members will be kept informed.

Yours faithfully

Chief Executive

To Councillors:	S J Carr (Chair)	G S Hills
	K Woodhead (Vice-Chair)	S P Jeremiah
	M Brown	A Kingdon
	R Bullock	W Mee
	A Cooper	J M Owen
	S Dannheimer	E Winfield
	K A Harlow	

A G E N D A

1. Apologies

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

2. Declarations of Interest

(Pages 3 - 10)

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 11 - 14)

The Committee is asked to confirm as a correct record the minutes of the meeting held on 17 May 2025.
4. Audit of Accounts and Associated Matters (Pages 15 - 56)

To receive the Audit Strategy Memorandum from the Council's external auditors and to note progress made with the 2024/25 audit.
5. Corporate Governance Arrangements (Pages 57 - 96)

To inform the Committee of action taken to develop and comply with statutory obligations regarding corporate governance and to seek approval for the Annual Governance Statement for inclusion in the Council's published Statement of Accounts for 2024/25.
6. Internal Audit Progress Report (Pages 97 - 108)

To inform the Committee of the recent work completed by Internal Audit.
7. Work Programme (Pages 109 - 110)

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

Report of the Monitoring Officer

DECLARATIONS OF INTEREST

1. Purpose of Report

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda. The following information is extracted from the Code of Conduct, in addition to advice from the Monitoring Officer which will assist Members to consider any declarations of interest.

Part 2 – Member Code of Conduct

General Obligations:

10. Interest

10.1 You will register and disclose your interests in accordance with the provisions set out in Appendix A.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of Members of the Council. The register is publically available and protects you by demonstrating openness and willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting which allows the public, Council employees and fellow Councillors know which of your interests gives rise to a conflict of interest. If in doubt you should always seek advice from your Monitoring Officer.

You should note that failure to register or disclose a disclosable pecuniary interest as defined in Appendix A of the Code of Conduct, is a criminal offence under the Localism Act 2011.

Advice from the Monitoring Officer:

On reading the agenda it is advised that you:

1. Consider whether you have any form of interest to declare as set out in the Code of Conduct.
2. Consider whether you have a declaration of any bias or predetermination to make as set out at the end of this document
3. Update Democratic Services and the Monitoring Officer and or Deputy Monitoring Officers of any declarations you have to make ahead of the meeting and take advice as required.
4. Use the Member Interest flowchart to consider whether you have an interest to declare and what action to take.
5. Update the Chair at the meeting of any interest declarations as follows:

‘I have an interest in Item xx of the agenda’

'The nature of my interest is therefore the type of interest is
DPI/ORI/NRI/BIAS/PREDETERMINATION
'The action I will take is...'

This will help Officer record a more accurate record of the interest being declared and the actions taken. You will also be able to consider whether it is necessary to send a substitute Members in your place and to provide Democratic Services with notice of your substitute Members name.

Note: If at the meeting you recognise one of the speakers and only then become aware of an interest you should declare your interest and take any necessary action

6. Update your Member Interest Register of any registerable interests within 28days of becoming aware of the Interest.

Ask yourself do you have any of the following interest to declare?

1. DISCLOSABLE PECUNIARY INTERESTS (DPIs)

A "Disclosable Pecuniary Interest" is any interest described as such in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and includes an interest of yourself, or of your Spouse/Partner (if you are aware of your Partner's interest) that falls within the following categories: Employment, Trade, Profession, Sponsorship, Contracts, Land, Licences, Tenancies and Securities.

2. OTHER REGISTERABLE INTERESTS (ORIs)

An "Other Registerable Interest" is a personal interest in any business of your authority which relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority; or
- b) any body
 - (i) exercising functions of a public nature
 - (ii) anybody directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of general control or management.

3. NON-REGISTRABLE INTERESTS (NRIs)

"Non-Registrable Interests" are those that you are not required to register but need to be disclosed when a matter arises at a meeting which directly relates to your financial interest or wellbeing or a financial interest or wellbeing of a relative or close associate that is not a DPI.

A matter "directly relates" to one of your interests where the matter is directly about that interest. For example, the matter being discussed is an application about a particular property in which you or somebody associated with you has a financial interest.

A matter “affects” your interest where the matter is not directly about that interest but would still have clear implications for the interest. For example, the matter concerns a neighbouring property.

Declarations and Participation in Meetings

1. DISCLOSABLE PECUNIARY INTERESTS (DPIs)

1.1 Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests which include both the interests of yourself and your partner then:

Action to be taken

- **you must disclose the nature of the interest** at the commencement of that consideration, or when the interest becomes apparent, whether or not such interest is registered in the Council’s register of interests of Member and Co-opted Members or for which you have made a pending notification. If it is a sensitive interest you do not have to disclose the nature of the interest, just that you have an interest
- **you must not participate in any discussion** of that particular business at the meeting, or if you become aware of a disclosable pecuniary interest during the meeting you must not participate further in any discussion of the business, including by speaking as a member of the public
- **you must not participate in any vote** or further vote taken on the matter at the meeting and
- **you must withdraw from the room** at this point to make clear to the public that you are not influencing the meeting in anyway and to protect you from the criminal sanctions that apply should you take part, unless you have been granted a Dispensation.

2. OTHER REGISTERABLE INTERESTS (ORIs)

2.1 Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests i.e. relating to a body you may be involved in:

- **you must disclose** the interest at the commencement of that consideration, or when the interest becomes apparent, whether or not such interest is registered in the Council’s register of interests of Member and Co-opted Members or for which you have made a pending notification. If it is a sensitive interest you do not have to disclose the nature of the interest, just that you have an interest
- **you must not take part in any discussion or vote** on the matter, but may speak on the matter only if members of the public are also allowed to speak at the meeting
- **you must withdraw from the room** unless you have been granted a Dispensation.

3. NON-REGISTRABLE INTERESTS (NRIs)

3.1 Where a matter arises at a meeting, which is not registrable but may become relevant when a particular item arises i.e. interests which relate to you and /or other people you are connected with (e.g. friends, relative or close associates) then:

- **you must** disclose the interest; if it is a sensitive interest you do not have to disclose the nature of the interest, just that you have an interest
 - **you must not take part in any discussion or vote**, but may speak on the matter only if members of the public are also allowed to speak at the meeting; and
 - **you must withdraw** from the room unless you have been granted a Dispensation.
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Dispensation and Sensitive Interests

A “Dispensation” is agreement that you may continue to participate in the decision-making process notwithstanding your interest as detailed at section 12 of the Code of the Conduct and the Appendix.

A “Sensitive Interest” is as an interest which, if disclosed, could lead to the Member, or a person connected with the Member, being subject to violence or intimidation. In any case where this Code of Conduct requires to you to disclose an interest (subject to the agreement of the Monitoring Officer in accordance with paragraph 2.4 of this Appendix regarding registration of interests), you do not have to disclose the nature of the interest, if it is a Sensitive Interest in such circumstances you just have to disclose that you have a Sensitive Interest under S32(2) of the Localism Act 2011. You must update the Monitoring Officer when the interest is no longer sensitive, so that the interest can be recorded, made available for inspection and published.

BIAS and PREDETERMINATION

The following are not explicitly covered in the code of conduct but are important legal concepts to ensure that decisions are taken solely in the public interest and not to further any private interests.

The risk in both cases is that the decision maker does not approach the decision with an objective, open mind.

This makes the local authority’s decision challengeable (and may also be a breach of the Code of Conduct by the Councillor).

Please seek advice from the Monitoring Officer or Deputy Monitoring Officers, if you need assistance ahead of the meeting.

BIAS

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias. If you have been involved in an issue in such a manner or to such an extent that the public are likely to perceive you to be biased in your judgement of the public interest:

- a) you should not take part in the decision-making process
- b) you should state that your position in this matter prohibits you from taking part
- c) you should leave the room.

PREDETERMINATION

Where a decision maker has completely made up his/her mind before the decision is taken or that the public are likely to perceive you to be predetermined due to comments or statements you have made:

- a) you should not take part in the decision-making process
- b) you should state that your position in this matter prohibits you from taking part
- c) you should leave the room.

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Registerable Interests

These are interests that you are required to register in accordance with the Code of Conduct. They are interests that you would know about in advance of an item coming up (e.g. land you own) and you should have included them when filling in your register of interests.

What type of Registerable Interest do you have in this matter?

Disclosable Pecuniary Interests

These are any interests that are described as DPIs under the Code of Conduct and include both the interests of yourself and of your partner.

Other Registerable Interests

These are personal interests that relate to certain types of bodies that you may be involved in as set out in the Code of Conduct.

Does the matter directly relate to one of your Disclosable Pecuniary Interests?

No

Does the matter directly relate to the financial interest or wellbeing of one of your Other Registerable Interests?

No

Does the matter affect a financial interest or the wellbeing of yourself or of a friend, relative or close associate?

No

Is the financial interest or wellbeing affected to a greater extent than the financial interests or wellbeing of the majority of inhabitants?

No

Would a reasonable member of the public knowing all the facts believe that it would affect your view of the wider public interest?

No

You must:

- Disclose the interest;
- Not speak on the matter;
- Not participate in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

You must:

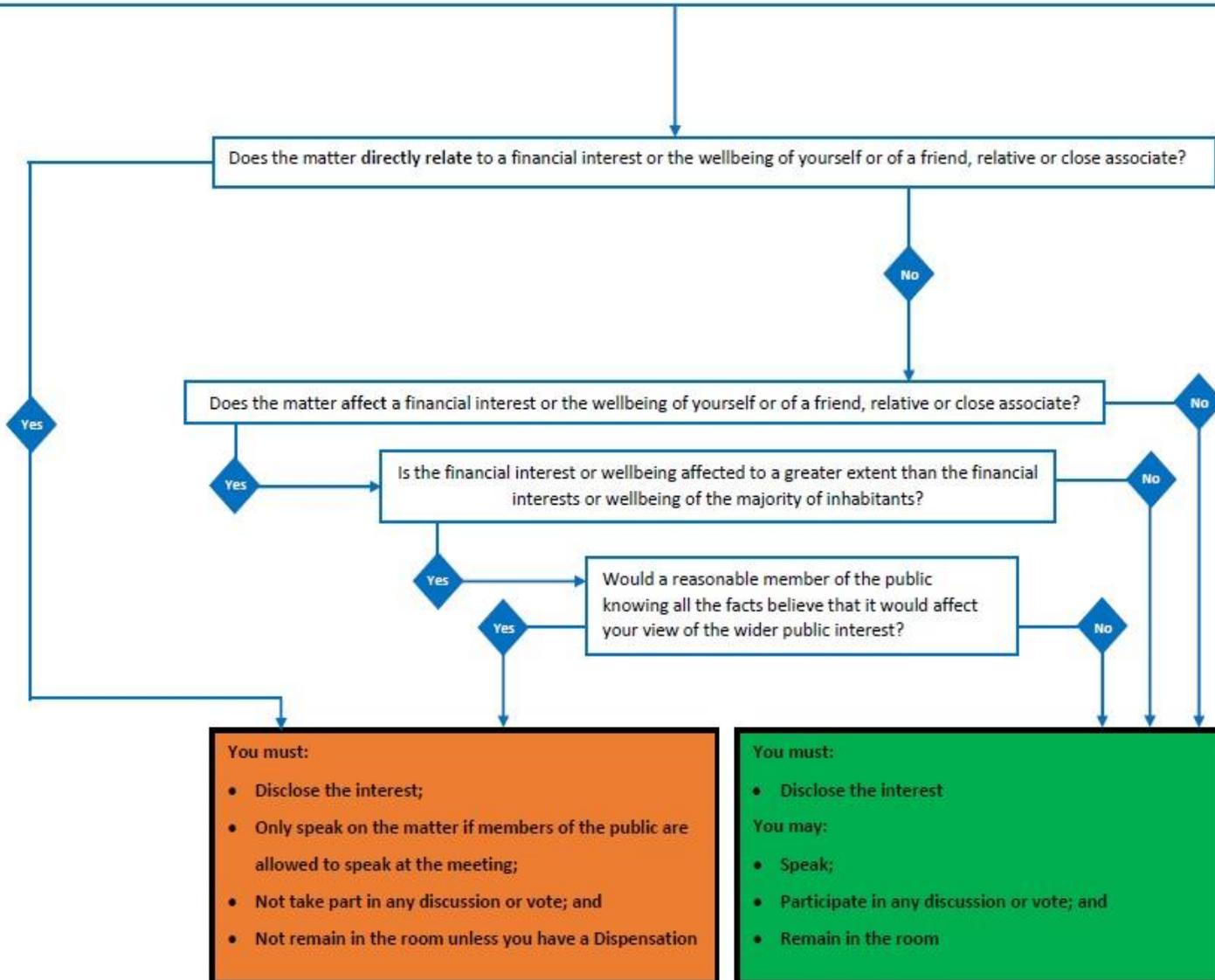
- Disclose the interest;
- Only speak on the matter if members of the public are allowed to speak at the meeting;
- Not take part in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

You must:

- Disclose the interest
- You may:
- Speak;
 - Participate in any discussion or vote; and
 - Remain in the room

Non-Registerable Interests

These are interests that you are not required to register but may become relevant when a particular item arises. These are usually interests that relate to other people you are connected with (e.g. friends, relatives or close associates) but can include your own interests where you would not have been expected to register them.



GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

MONDAY, 17 MARCH 2025

Present: Councillor K Woodhead (Vice-Chair)

Councillors: M Brown
R Bullock
R Bofinger (substitute)
A Cooper
S Dannheimer
K A Harlow
G S Hills
A Kingdon
J M Owen
P J Owen (ex-officio)
E Winfield

Apologies for absence were received from Councillors S J Carr, S P Jeremiah and W Mee.

50. DECLARATIONS OF INTEREST

Councillor R Bofinger declared a Disclosable Pecuniary Interests in minute number 57 due to being a member of the Liberty Leisure Board.

51. MINUTES

The minutes of the meeting held on 27 January 2025 were confirmed and signed as a correct record.

52. MINUTES OF OTHER MEETINGS

The Committee noted the minutes of the Advisory Shareholder Committee.

53. INTERNAL AUDIT PLAN 2025/26

The Committee noted the Internal Audit Plan for 2025/26.

The Internal Audit Plan sets out the proposed coverage for Internal Audit work in 2025/26. The mandate for the plan is derived from the Public Sector Internal Audit Standards produced by the Chartered Institute of Public Finance and Accountancy in collaboration with the Chartered Institute of Internal Auditors.

RESOLVED that the Internal Audit Plan for 2025/26 be approved.

54. INTERNAL AUDIT PROGRESS REPORT

The Committee noted the recent work completed by Internal Audit.

Internal Audit had also reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits.

55. STATEMENT OF ACCOUNTS 2024/25 – ACCOUNTING POLICIES

The Committee noted the Council's accounting policies in relation to the production of the 2024/25 Statement of Accounts.

Prior to the completion of the Statement of Accounts 2024/25, it is considered good practice that Members are given the opportunity to discuss and comment on the accounting policies to be used in the production of the financial statements. These policies would be applied to the treatment of all transactions that make up the Statement of Accounts to ensure the accounts present a true and fair view of the financial position of the Council as at 31 March 2025.

RESOLVED that the Accounting Policies for 2024/25 be approved.

56. STATEMENT OF ACCOUNTS 2024/25 – UNDERLYING PENSION ASSUMPTIONS

The Committee noted the assumptions made by the Pension Fund Actuary in calculating the IAS19 figures to be reported in the 2024/25 Statement of Accounts.

IAS19 (International Accounting Standard 19 – Employee Benefits) is one of the financial reporting standards with which the Council must comply when producing its annual Statement of Accounts. The basic requirement of IAS19 is that an organisation should account for retirement benefits when it is committed to give them, irrespective of when they are paid out.

In order to calculate the cost of earned benefits for inclusion in the Statement of Accounts, the scheme actuaries use certain assumptions to reflect expected future events which may affect the cost. The assumptions used should lead to the best estimate of the future cash flows that will arise under the scheme liabilities.

57. LIBERTY LEISURE LIMITED – EXTERNAL AUDIT ARRANGEMENTS 2024/25

Members noted the exemption of Liberty Leisure Limited from the requirement of an external audit for 2024/25.

The accounts of Liberty Leisure Limited must be subject to an audit due to the company being a subsidiary of an entity (i.e. the Council) that does require an audit. Although the company has a turnover of around £3.7 million, it does not meet the small companies' exemption criteria as set out in the Companies Act 2006 due to its relationship with the Council.

RESOLVED that Liberty Leisure Limited be exempt from requiring an external audit for 2024/25 in accordance with Part 16 Section 479 of the Companies Act 2006.

58. QUARTERLY COMPLAINT REPORT

The Committee noted the summary of complaints made against the Council.

Overall, of the 123 Stage 1 complaints received, 22 were investigated under the Stage 2 complaints procedure and three were investigated by the LGO or HO. Under the Stage 2 complaints procedure, 11 complaints were not upheld, 11 complaints were upheld.

59. REVIEW OF STRATEGIC RISK REGISTER

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

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

60. WORK PROGRAMME

Members considered the Work Programme.

RESOLVED that the Work Programme, with the addition of reports regarding short term financial risk (Local Government Review) and retention of staff, be approved.

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Report of the Deputy Chief Executive

Audit of Accounts and Associated Matters

1. Purpose of Report

To receive the Audit Strategy Memorandum from the Council's external auditors and to note progress made with the 2024/25 audit.

2. Recommendation

The Committee is asked to NOTE the Audit Strategy Memorandum for the 2024/25 audit of accounts.

3. Detail

The Council's appointed external auditors, Forvis Mazars, have produced their Audit Strategy Memorandum for the Council's 2024/25 audit which is provided in the **Appendix**. The audit plan provides details relating to the auditors' engagement and responsibilities, the engagement team, the scope of the audit, its approach and timelines, significant risks and other key judgement areas, materiality and misstatements, value for money arrangements, audit fees and confirmation of the auditors' independence.

A representative from Forvis Mazars will be available at the meeting to introduce this report and to also provide an early update on progress made with the 2024/25 audit.

4. Financial Implications

The comments from the Assistant Director Finance Services were as follows:

There are no direct financial implications arising from this report.

5. Legal Implications

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

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

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Deputy Chief Executive) has the responsibility for the

administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

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

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

Not applicable.

8. Climate Change Implications

There are no climate change implications contained within the report.

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.



Audit Strategy Memorandum
Broxtowe Borough Council – Year ending 31 March 2025

7 May 2025

Governance, Audit and Standards Committee
Broxtowe Borough Council
Town Hall
Foster Avenue
Beeston
Nottingham
NG9 1AB

7 May 2025

Forvis Mazars

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Dear Committee Members

Audit Strategy Memorandum – Year ending 31 March 2025

We are pleased to present our Audit Strategy Memorandum for Broxtowe Borough Council for the year ending 31 March 2025.

This report summarises our audit approach, including the significant audit risks and areas of key judgement we have identified, and provides details of our audit team. In addition, as it is a fundamental requirement that an auditor is, and is seen to be, independent of an audited entity, the section of the report titled '*Confirmation of our independence*' summarises our considerations and conclusions on our independence as auditors.

Two-way communication with you is key to a successful audit and is important in:

- Reaching a mutual understanding of the scope of the audit and our respective responsibilities;
- Sharing information to assist each of us to fulfil our respective responsibilities;
- Providing you with constructive observations arising during the audit process; and
- Ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance, and other risks facing Broxtowe Borough Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, this report, which has been prepared following our initial planning discussions with management, facilitates a discussion with you on our audit approach. We welcome any questions, concerns, or input you may have on our approach or role as auditor.

This report also contains appendices that outline our key communications with you during the audit, and forthcoming accounting issues and other issues that may be of interest to you.

Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations. If you have any concerns or comments about this report or our audit approach, please contact me on 07896 684 771.

This report was prepared solely for the use and benefit of Governance, Audit and Standards Committee and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Yours faithfully



Gavin Barker

Forvis Mazars

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- Appendix B – Current year updates, forthcoming accounting and other issues

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This document is to be regarded as confidential to Broxtowe Borough Council. It has been prepared for the sole use of Governance, Audit and Standards Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents.



Engagement and responsibilities summary

Engagement and responsibilities summary

We are appointed to perform the external audit of Broxtowe Borough Council (the Council) for the year to 31 March 2025. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: [Statement of responsibilities of auditors and audited bodies from 2023/24](#). Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

Our audit does not relieve management or Governance, Audit and Standards Committee, as those charged with governance, of their responsibilities.

The Section 151 Officer is responsible for the assessment of Broxtowe Borough Council's ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists, and
- b) the appropriateness of the Section 151 Officer's use of the going concern basis of accounting in the preparation of the financial statements.

Internal control

Management is responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Broxtowe Borough Council's internal control.

Whole of Government Accounts

We report to the NAO on the consistency of the Broxtowe Borough Council's financial statements with its Whole of Government Accounts (WGA) submission.



Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud, we are required to inquire of you, key management personnel and internal audit, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Value for money

We are also responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in the 'Value for Money' section of this report.

Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

02

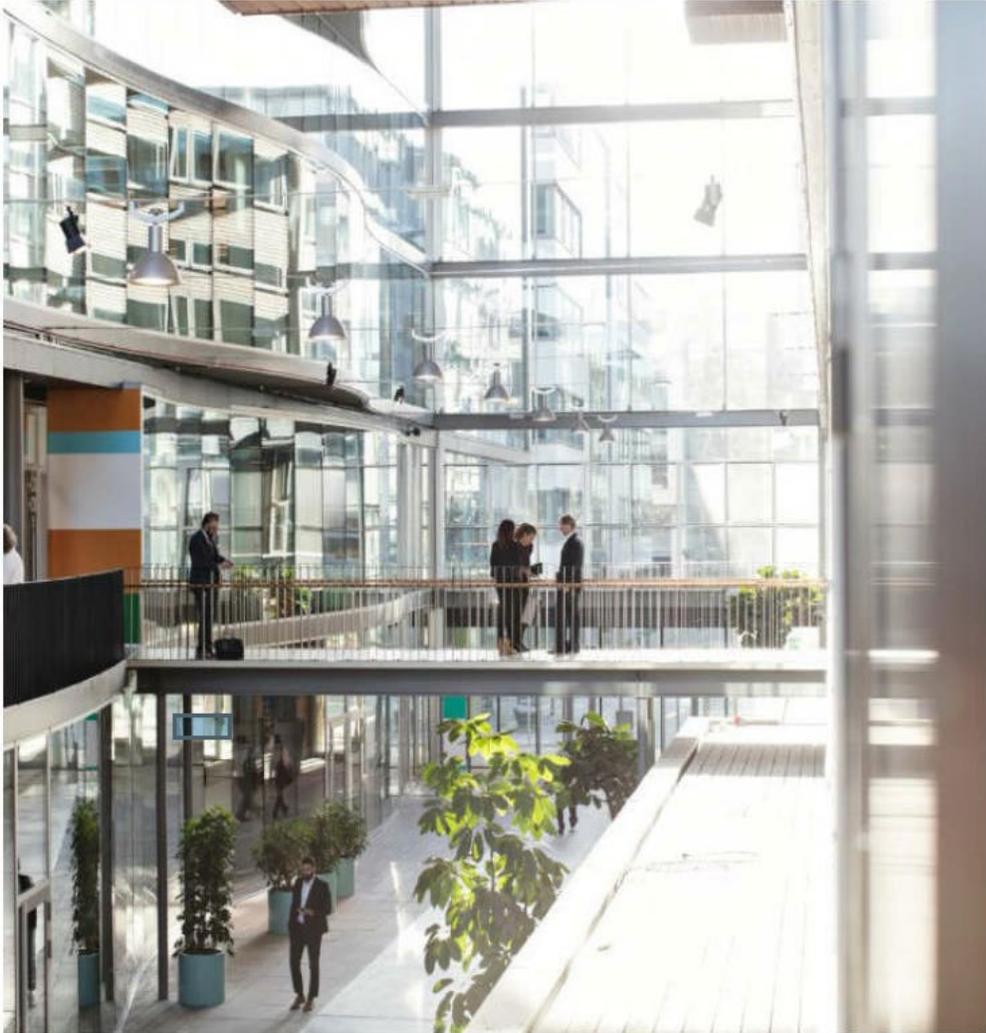
Your audit team

Your audit team

Your external audit service will be led by Gavin Barker

Who	Role	Contact
Gavin Barker	Engagement Lead	Gavin.Barker@mazars.co.uk 07896 684 771
Varsha Sharma	Audit Manager	Varsha.Sharma@mazars.co.uk 07581 015 454
Lloyd Dzimba	Engagement Assistant Manager	Lloyd.Dzimba@mazars.co.uk 07974 124 637

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03

Audit scope, approach, and timeline

Audit scope, approach, and timeline

Risk-based Approach



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Audit scope, approach, and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with Code of Audit Practice. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations, or areas found to contain material errors in the past.

Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are primarily driven by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud), we develop our audit strategy and design audit procedures to respond to the risks we have identified.

If we conclude that appropriately-designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or we decide that it would be more efficient to do so, we may take a wholly substantive approach to our audit testing where, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit has been planned and will be performed to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in the 'Materiality and misstatements' section of this report.

The diagram on the next page outlines the procedures we perform at the different stages of our audit.

Management's and our experts

Management makes use of experts in specific areas when preparing the Council's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management's expert	Our expert
Defined benefit liability	Barnett Waddingham LLP Actuary for Nottinghamshire Pension Fund (LGPS)	National Audit Office's (NAO's) Consulting Actuary (PwC)
Property, plant and equipment and Investment Properties	Lambert Smith Hampton (LSH) External Valuer (Non-dwellings)	We will consider available market data
	Internal valuer – Estates Manager External Valuer (Dwellings)	
Financial Instruments	Arlingclose Treasury Management Advisor	None identified at planning
Business Rates Appeals Valuation	Inform CPI Ltd	None identified at planning

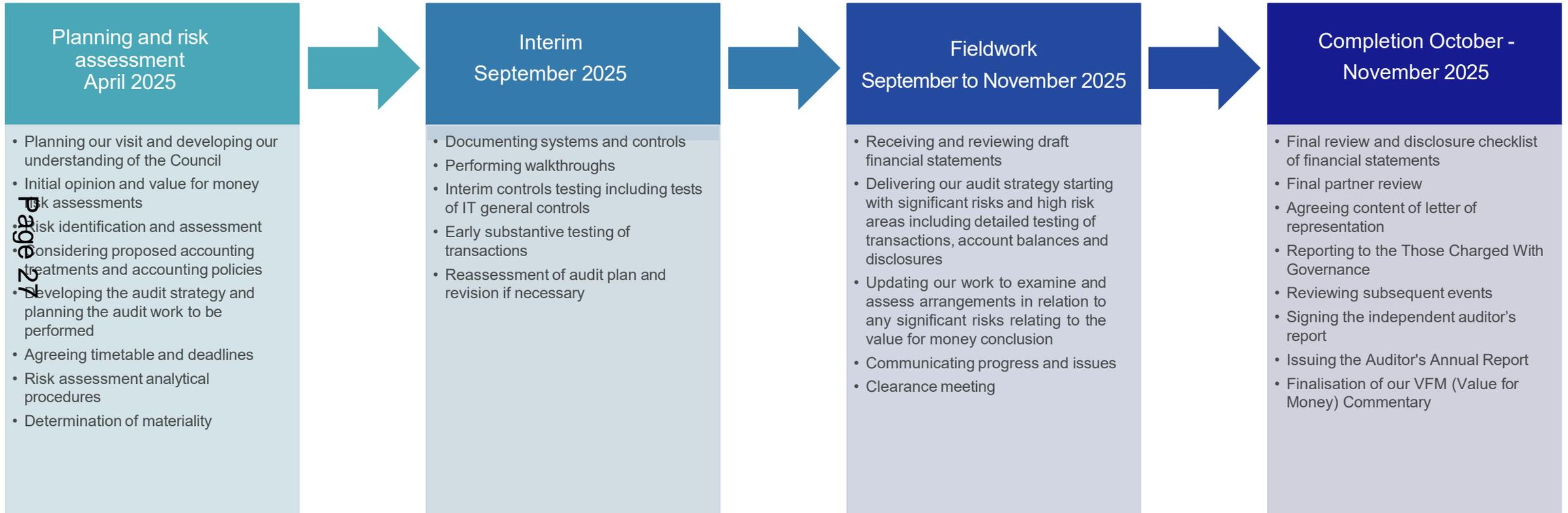
Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Council that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services.

We have not identified any service organisation used by the Council.

Audit scope, approach, and timeline

Audit timeline



Audit scope, approach, and timeline

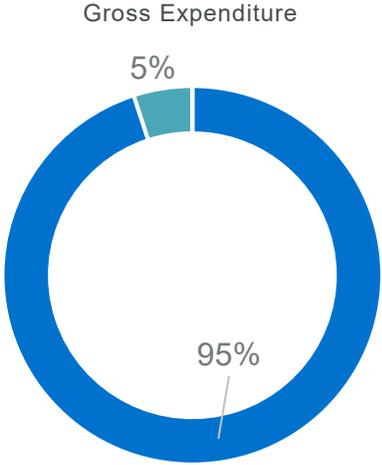
Group audit approach

The preliminary scope of our group audit is based on our analysis of the risks we have identified at group level. When scoping our audit, we have considered quantitative criteria (the contribution of each of the group’s consolidated components to the group financial statements); qualitative criteria (the risks of material misstatement of the group financial statements that consolidated components may present individually at component level); and we have assessed the risk of material misstatement across the group’s consolidated components in aggregate.

The nature and extent of audit work we plan to perform on the consolidated components is set out below.

Component name	% of Gross Expenditure	Location	Auditor	Scope
Broxtowe Borough Council	95%	Nottingham	Forvis Mazars LLP	Full Scope Audit
Liberty Leisure Limited	5%	Nottingham	Exempt from audit	Audit of specific account balances and disclosures

2024/25 * – Initial % of group



- Full audit
- Audit of specific account balances and disclosures
- Group engagement team instructed engagement procedures

* = based on 2023/24 expenditure at the planning stage

04

Materiality and misstatements

Materiality and misstatements

Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.

Materiality

We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to entity. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to Governance, Audit and Standards Committee.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.

An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities, and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented, and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and
- Will make reasonable economic decisions based on the information in the financial statements.

We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors.

When planning our audit, we make judgements about the size of misstatements we consider to be material. This provides a basis for our risk assessment procedures, including identifying and assessing the risks of material misstatement, and determining the nature, timing and extent of our responses to those risks.

The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Materiality and misstatements

Materiality (continued)

For the single entity and group financial statements, we consider that Gross Revenue Expenditure at Surplus/deficit on Provision of Services level is the key focus of users of the financial statements. We have therefore determined our initial materiality levels using gross revenue expenditure at surplus/deficit on Provision of Services as the benchmark.

We expect to set a materiality of 2% of gross revenue expenditure at surplus/deficit level for the single entity and the group financial statements.

As set out in the tables alongside, based on currently available information (2023-24 final financial statements), we anticipate overall materiality for the year ended 31 March 2025 to be in the region of £1.160m, and performance materiality to be in the region of £0.870m for the group financial statements.

For the single entity financial statements, we anticipate overall materiality for the year ended 31 March 2025 to be in the region of £1.110m, and performance materiality to be in the region of £0.834m.

We will continue to monitor materiality throughout our audit to ensure it is set at an appropriate level.

Group financial statements

	2024-25 £'000s
Overall materiality	£1,160
Performance materiality	£870
Clearly trivial	£35

Council's single entity financial statements

	2024-25 £'000s
Overall materiality	£1,110
Performance materiality	£834
Clearly trivial	£33
Specific materiality – Senior officers' remuneration	£5

Materiality and misstatements

Misstatements

We will accumulate misstatements identified during our audit that are above our determined clearly trivial threshold.

We have set a clearly trivial threshold for individual misstatements we identify (a reporting threshold) for reporting to Governance, Audit and Standards Committee and management that is consistent with a threshold where misstatements below that amount would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements.

Based on our preliminary assessment of overall materiality, our proposed clearly trivial threshold is £35k for the group financial statements and £33k for the single entity financial statements, based on 3% of overall materiality. If you have any queries about this, please raise these with Gavin Barker.

Each misstatement above the reporting threshold that we identify will be classified as:

- **Adjusted:** Those misstatements that we identify and are corrected by management.
- **Unadjusted:** Those misstatements that we identify that are not corrected by management.

We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement Governance, Audit and Standards Committee as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on the financial statements and on our audit opinion.

Misstatements also cover qualitative misstatements and include quantitative and qualitative misstatements and omissions relating to the notes of the financial statements.

Reporting

In summary, we will categorise and report misstatements above the reporting threshold to Governance, Audit and Standards Committee as follows:

- Adjusted misstatements;
- Unadjusted misstatements; and
- Disclosure misstatements (adjusted and unadjusted).

05

Significant risks and other key judgement areas

Significant risks and other key judgement areas

Following the risk assessment approach set out in the *'Audit scope, approach, and timeline'* section, we have identified the risks of material misstatement in the financial statements. These risks are categorised as significant, enhanced, or standard. The definitions of these risk ratings are set out below.

Significant risk

A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. As required by auditing standards, a fraud risk is always assessed as a significant risk.

Enhanced risk

An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to:

- Key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement; and
- Risks relating to other assertions and arising from significant events or transactions that occurred during the period.

Standard risk

A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.

Significant risks and other key judgement areas

Audit risks and planned responses

In this section, we have set out the risks that we deem to be significant and enhanced, and our planned response. An audit is a dynamic process, and should we change our view of risk and/ or our approach to address those risks during our audit, we will report this to Governance, Audit and Standards Committee.

Significant risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
1	Management override of controls (a mandatory significant risk for all entities).	●	○	●	Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits. You should assess this risk as part of your oversight of the financial reporting process.	In line with our methodology, we plan to address the management override of controls risk through performing audit work over: <ul style="list-style-type: none"> • accounting estimates; • journal entries; and • significant transactions outside the normal course of business or otherwise unusual.
2	Valuation of Council Dwellings, and land and buildings 2023-24: £294.585m	○	●	●	The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Council's holding of Council dwellings and land and buildings. Although the Council uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations. We have therefore identified the valuation of Council dwellings, and land and buildings to be an area of significant risk.	We plan to address this risk by: <ul style="list-style-type: none"> • Critically assessing the Council's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; • Considering whether the overall revaluation methodologies used by the Council's valuers are in line with industry practice, the CIPFA Code of Practice and the Council's accounting policies; • Assessing whether valuation movements are in line with market expectations by using third party information to provide information on regional valuation trends; • Critically assessing the approach that the Council adopts to ensure that assets not subject to revaluations in 2024/25 are materially fairly stated, including considering the robustness of the approach in light of the valuation information reported by the Council's valuers.

Significant risks and other key judgement areas

Significant risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
3	Net defined benefit liability valuation 2023-24: Net Pensions liability of £0.260m	○	●	●	<p>The Council is an employer in the Local Government Pension Scheme, administered on a local level by the Nottinghamshire Pension Fund.</p> <p>The defined benefit assets and liabilities are significant items in the Council's balance sheet and the Council engages an actuary to perform an annual valuation in accordance with the requirements of IAS 19 Employee Benefits. Due to a high degree of estimation uncertainty associated with this valuation, we have identified a significant risk in this area.</p> <p>We will also complete audit procedures on the net benefit liability held by Liberty Leisure Ltd.</p>	<p>We plan to address this risk by:</p> <ul style="list-style-type: none"> Critically assessing the competency, objectivity and independence of the Nottinghamshire Pension Fund's Actuary, Barnett Waddingham; Liaising with the auditors of the Nottinghamshire Pension Fund to gain assurance over the design and implementation of the controls in place at the Pension Fund. This will include the processes and controls in place to ensure data provided to the Actuary for the purposes of the IAS 19 valuation is complete and accurate; Reviewing the appropriateness of the pension asset and liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information provided by PwC and consulting actuary engaged by the National Audit Office (NAO); and Agreeing the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries disclosures in the Council's financial statements. In the event of a pension surplus arising in 24/25, its accounting treatment will require specific consideration under IFRIC 14.

Significant risks and other key judgement areas

Other key areas of management judgement that we have determined as enhanced risks

	Risk name	Error	Judgement	Risk description	Planned response
1	Application of IFRS 16 for the 2024-25 financial year.	●	●	IFRS 16 is applicable from 1 April 2024, designed to report information that better shows lease transactions and provides a better basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The Council is required to account for its lease arrangements in line with this new standard for the first time in the 2024/25 accounts. This requires the Council to re-classify their leases and account for a right of use asset.	<p>We will substantively test lease balances recognised under IFRS 16 and seek evidence to support that they have been correctly classified and accurately measured under the new standard.</p> <p>We will:</p> <ul style="list-style-type: none"> • obtain an understanding of the approach taken by the Council in valuing the right of use asset; • sample test the valuation of the right of use asset; • agree the valuation to underlying data and review the underlying valuation assumptions.

Significant risks and other key judgement areas

Other considerations

In consideration of ISA (UK) 260 *Communication with Those Charged with Governance*, we would like to seek your views/ knowledge of the following matters:

- Did you identify any other risks (business, laws & regulation, fraud, going concern etc.) that may result in material misstatements?
- Are you aware of any significant communications between Broxtowe Borough Council and regulators?
- Are there any matters that you consider warrant particular attention during the course of our audit, and any areas where you would like additional procedures to be undertaken?

We plan to do this by formal letter to Governance, Audit and Standards Committee which we will obtain prior to completing our audit.

Significant difficulties encountered during the course of audit

In accordance with ISA (UK) 260 *Communication with Those Charged with Governance*, we are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include matters such as:

- Significant delays in management providing information that we require to perform our audit.
- An unnecessarily brief time within which to complete our audit.
- Extensive and unexpected effort to obtain sufficient appropriate audit evidence.
- Unavailability of expected information.
- Restrictions imposed on us by management.
- Unwillingness by management to make or extend their assessment of an entity's ability to continue as a going concern when requested.

We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is unduly impeded, this could require us to issue a modified auditor's report).

Internal audit function

We assess the extent to which the internal audit function's organisational status and relevant policies and procedures support the objectivity of the internal auditors, the level of competence of the internal audit function, and whether the internal audit function applies a systematic and disciplined approach, including quality control.

At the planning stage we do not expect to specifically rely on the work of the internal audit function for the purpose of our audit.

Nonetheless, we will obtain a copy of the reports issued by internal audit relating to the financial period under audit determine whether any findings will have an impact on our risk assessment and planned audit procedures.

06

Value for Money

Value for money

The framework for value for money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

This will be the first audit year where we are undertaking our value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

A key change in the 2024 Code of Audit Practice is the requirement for us to issue our Auditor's Annual Report for the year ending 31 March 2025 to you in draft by the 30 November 2025. This is required whether our audit is complete or not. Should our work not be complete, we will report the status of our work and any findings to up to that point (and since the issue of our previous Auditor's Annual Report). Further information will be provided in Appendix A.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

1. **Financial sustainability** – how the Council plans and manages its resources to ensure it can continue to deliver its services;
2. **Governance** – how the Council ensures that it makes informed decisions and properly manages its risks; and
3. **Improving economy, efficiency and effectiveness** – how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our approach

Our work falls into three primary phases as outlined opposite. We gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified, we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle, and we are not expected to wait until issuing our overall commentary to do so.

Planning	Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include: <ul style="list-style-type: none">• NAO guidance and supporting information• Information from internal and external sources including regulators• Knowledge from previous audits and other audit work undertaken in the year• Interviews and discussions with staff and members
Additional risk based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements which forms part of the Auditor's Annual Report. Our commentary will also highlight: <ul style="list-style-type: none">• Significant weaknesses identified and our recommendations for improvement; and• Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

Value for money arrangements

Identified risks of significant weaknesses in arrangements

The NAO's guidance requires us to carry out work at the planning stage to understand the Council's arrangements and to identify risks that significant weaknesses in arrangements may exist.

Although we have not fully completed our planning and risk assessment work, we can confirm that at this stage we have not identified any risks of significant weaknesses in arrangements. If we do identify any such risks we will report this to the Governance, Audit and Standards Committee at a later date.

07

Audit fees and other services

Audit fees and other services

Fees for work as the Council's appointed auditor

Public Sector Audit Appointments (PSAA) set the fee scale each year based on the income it needs from audit fees to meet the costs of the audit contracts for opted in bodies and its own costs. PSAA has published the scale fee for 2024/25 on its website, where it also explains the basis of its calculations in coming to this value. PSAA propose using the fee variations process for certain areas where it felt there was insufficient information at the time to include in the 2024/25 scale fee.

Periodically, PSAA returns any surplus to opted-in bodies by means of a distribution, once it is clear the surplus is no longer needed.

Our fees (exclusive of VAT) for the audit Broxtowe Borough Council for the year ended 31 March 2025, are outlined below. Fee variations for 2024/25 are yet to be confirmed.

Area of work	2024/25 Proposed Fee	2023/24 Actual Fee
PSAA scale fee	£159,380	£144,729
Additional fees in respect of additional work from the introduction of new auditing standards (ISA 315)	-	£9,410
Additional work in respect of IFRS16	TBC	-
Additional testing – group accounts in 2023/24 (in 2024/25 application of revised ISA 600 relating to groups)	TBC	£5,400
Additional fees in respect of testing of land and buildings, including Council dwelling beacons	-	£7,600
Sub total: variations	TBC	£22,410
Total fees	TBC	£167,139

Fees for non-PSAA work

We are not engaged to undertake any non-audit services for the Council in the year.

08

Confirmation of our independence

Confirmation of our independence

Requirements

We comply with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants together with the ethical requirements that are relevant to our audit of the financial statements in the UK reflected in the ICAEW Code of Ethics and the FRC Revised Ethical Standard.

Compliance

We are not aware of any relationship between Forvis Mazars and Broxtowe Borough Council that, in our professional judgement, may reasonably be thought to impair our independence.

We are independent of Broxtowe Borough Council and have fulfilled our independence and ethical responsibilities in accordance with the requirements applicable to our audit.

Non-audit and Audit fees

We have set out a summary of the non-audit services provided by Forvis Mazars (with related fees) to Broxtowe Borough Council, together with our audit fees and independence assessment.

We are committed to independence and confirm that we comply with the FRC's Revised Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration.
- All new partners and staff are required to complete an independence confirmation and complete annual ethical training.
- Rotation policies covering audit engagement partners and other key members of the audit team.
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that the engagement team and others in the firm as appropriate, Forvis Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence, please discuss these with me in the first instance.

Prior to the provision of any non-audit services, I will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our independence as auditor.

Principal threats to our independence and the associated safeguards we have identified and/ or put in place are set out in Terms of Appointment issued by PSAA available from the PSAA website: [Terms of Appointment from 1 July 2021 - PSAA](#). Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.

Appendices

A: Key communication points

B: Current year updates, forthcoming accounting and other issues

C: Consultations on measures to tackle the local government financial reporting and audit backlog

Appendix A: Key communication points

We value communication with Governance, Audit and Standards Committee, as a two-way feedback process is at the heart of our client service commitment. The Code of Audit Practice as well as ISA (UK) 260 *Communication with Those Charged with Governance* and ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* specifically require us to communicate a number of matters with you. We meet these requirements, principally, through presenting the following documents to you:

- Our Audit Strategy Memorandum;
- Our Audit Completion Report; and
- Our Auditor's Annual Report.

These documents will be discussed with management prior to being presented to you and their comments will be incorporated as appropriate.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Key communication points at the planning stage as included in this Audit Strategy Memorandum

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;
- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Significant difficulties, if any, encountered during the audit;
- Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.

Changes introduced by the 2024 Code of Audit Practice

The 2024 Code now requires the auditor to issue the draft Auditor's Annual Report by 30 November following each year end. For the 2024/25 audit, this means that we must issue our draft Auditor's Annual Report by 30 November 2025, whether our audit is complete or not.

In instances where our audit work is not complete by 30 November for any given year, the 2024 Code requires us to provide a summary of the status of the audit at the time of issuance and should reflect the work completed to date since we issued our previous Auditor's Annual Report. In such instances, we will issue an Interim Auditor's Annual Report to meet the 30 November deadline. On completion of any outstanding financial statement audit work or Value for Money arrangements work, we will re-issue the Auditor's Annual Report which will include an updated commentary on Value for Money arrangements.

Appendix A: Key communication points

ISA (UK) 260 *Communication with Those Charged with Governance*, ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and Those Charged with Governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion; • The effect of uncorrected misstatements related to prior periods; • A request that any uncorrected misstatement is corrected; and • In writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • Inquiries with Governance, Audit and Standards Committee to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the entity; • Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • A discussion of any other matters related to fraud. 	Audit Completion Report and discussion at Governance, Audit and Standards Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)

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Appendix A: Key communication points

Required communication	Where addressed
<p>Significant matters arising during the audit in connection with the entity’s related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management; • Inappropriate authorisation and approval of transactions; • Disagreement over disclosures; • Non-compliance with laws and regulations; and • Difficulty in identifying the party that ultimately controls the entity. 	<p>Audit Completion Report</p>
<p>Significant findings from the audit including:</p> <ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • Significant difficulties, if any, encountered during the audit; • Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • Written representations that we are seeking; • Expected modifications to the audit report; and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Council or Governance, Audit and Standards Committee in the context of fulfilling your responsibilities. 	<p>Audit Completion Report</p>

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Appendix A: Key communication points

Required communication	Where addressed
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to the Council to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and inquiry of Governance, Audit and Standards Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that Governance, Audit and Standards Committee may be aware of.	Audit Completion Report and Governance, Audit and Standards Committee meeting(s)
<p>With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty; • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and • The adequacy of related disclosures in the financial statements. 	Audit Completion Report
<p>Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm's System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm's System of Quality Management:</p> <ul style="list-style-type: none"> • Ensure there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm's strategies and priorities • Identify, review, and update quality risks each quarter, taking into consideration the number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm's root cause analysis and remediation functions, etc.) • Identify, design, and implement responses as part of the process to strengthen our firm's internal control environment and overall quality • Evaluate responses and remediate control gaps or deficiencies <p>We perform an evaluation of our system of quality management on an annual basis. Our first evaluation was performed as of 31 August 2023. Details of that assessment and our conclusion are set out in our 2022/2023 Transparency Report, which is available on our website here.</p> <p>The details of our evaluation of our system of quality management as of 31 August 2024, and our conclusion, set out in our 2023/24 Transparency Report, which is available on our website here.</p>	Audit Strategy Memorandum

Appendix A: Key communication points

Required communication	Where addressed
An overview of the work to be performed at the components of the group and the nature of our involvement in the work to be performed by component auditors.	Audit Strategy Memorandum and Audit Completion Report
Instances where our review of the work of the component auditor gave rise to a concern about the quality of the component auditor’s work, and how we addressed that concern.	Audit Completion Report
Any limitations on the scope of the group audit, for example, significant matters related to restrictions on access to people or information.	Audit Strategy Memorandum and Audit Completion Report, as necessary
Fraud or suspected fraud involving group management, component management, employees who have significant roles in the group’s system of internal control or others when the fraud resulted in a material misstatement of the group financial statements.	Audit Completion Report and discussion at Governance, Audit and Standards Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)

Appendix B: Current year updates, forthcoming accounting & other issues

Current and forthcoming accounting issues

New standards and amendments

Effective for accounting periods beginning on or after 1 January 2019

IFRS 16 Leases (Issued January 2016)

- IFRS 16 Leases (IFRS 16) will replace the existing leasing standard, IAS 17, and will introduce significant changes, particularly for lessees. The requirements for lessors will be largely unchanged from the position in IAS 17. Lessees will need to recognise right of use assets and associated lease liabilities for all leases (except short-life or low-value leases) as the distinction between operating leases and finance leases is removed. Subsequent to initial recognition, a service concession arrangement liability will subsequently be measured following the principles set out in IFRS 16. The introduction of this standard is likely to lead to significant work being required in order to identify all leases and service concession arrangements to which the Council are party to. There will also be consequential impacts upon capital financing arrangements at many authorities which will need to be identified and addressed. IFRS 16 was adopted by the Code of Practice on Local Authority Accounting in 2024/25.

Effective for accounting periods beginning on or after 1 January 2023

IFRS 18 Presentation and Disclosure in Financial Statements (Issued April 2024)

- IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that replaces IAS 1 Presentation of Financial Statements. The new standard aims to increase the comparability, transparency and usefulness of information about companies' financial performance. It introduces three key new requirements focusing on the presentation of information in the statement of profit or loss and enhancing certain guidance on disclosures within the financial statements. As IFRS 18 was only issued in April 2024 it has yet to be adopted by the Code of Practice on Local Authority Accounting in 2024/25 therefore the applicability to local government is to be determined.

Appendix B: Current year updates, forthcoming accounting & other issues

International Standard on Auditing (UK) 600 Revised - Special considerations - Audits of group financial statements (Including the work of component auditors)

ISA (UK) 600 deals with the special considerations that apply to audits of group financial statements, including those circumstances when component auditors are involved. The auditing standard has been revised. The revised standard is effective for audits of group financial statements for periods beginning on or after 15 December 2023. The revisions made to ISA (UK) 600 impact how we perform audits of group financial statements, and how we communicate our audit strategy and audit findings arising from audits of group financial statements, going forward. This page sets out the key changes made to ISA (UK) 600 and how Forvis Mazars will apply the requirements of the revised standard in practice.

Key changes

The previous ISA (UK) 600 included prescriptive requirements in respect of the audit procedures required over 'significant components' of a group, i.e., a 'full scope' audit of a significant component's financial information relevant to the group financial statements was required. Forvis Mazars defined a 'significant component' as one that contributed to the group financial statements more than 15% of the materiality benchmark selected to determine group materiality, e.g., if we had determined materiality using a profit before tax benchmark, any component that contributed more than 15% of the group's reported profit before tax would be classified as a significant component and a 'full scope' audit would be performed over that component's financial information.

ISA (UK) 600 Revised eliminates the 'significant component' concept, opting instead for consideration of risks of material misstatement at the assertion level of the group financial statements that are associated with components. This results in a group audit that is better focused on the risks of material misstatement of the group financial statements and affords greater flexibility in how we classify components and how we may design the nature and extent of audit procedures to be performed over a component's financial information, i.e., we can determine the nature and extent of the audit procedures to be performed over a component's financial information based on the specific risks relevant to the group financial statements.

ISA (UK) 600 also, however, removed the option to limit the procedures performed over a 'non-significant' component's financial information to desktop analytical procedures. We are now required to perform substantive audit procedures (or a combination of substantive audit procedures and tests of controls) over the group financial statements, including the financial information relating to components in the group, until the residual, untested balances, classes of transaction and disclosures in the group financial statements are below our group materiality. This is to ensure that aggregation risk (the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole) is addressed appropriately.

In combination, these changes may result in a change to the nature and extent of the audit procedures we perform over the financial information of components on a group audit compared to previous years and may result in components that were not previously in scope of our group audit being brought into scope going forward to ensure that we address aggregation risk appropriately.

To ensure consistency of approach, Forvis Mazars will apply the definitions set out below when performing audits of group financial statements going forward:

Key component	Material component	Non-material component
Any component: i. Which is greater or equal to 15% of the benchmark chosen for calculating group materiality (key by size); or ii. Where the specific nature or circumstance of its financial information make it likely to include significant risks of misstatement of the group financial statements (key by risk).	Any component, other than a key component, that contributes to one or more group financial statement areas an amount that is above group financial statement materiality.	A component, that is not a key component or a material component, that is scoped into a group audit to reduce the risk of material misstatement of the group financial statements to an acceptably low level (based on size or risk) in situations when, after assessing which components are key components and material components, the aggregate amount of a financial statement area related to un-scoped components is still above group financial statement materiality.

Appendix B: Current year updates, forthcoming accounting & other issues

International Standard on Auditing (UK) 600 Revised - Special considerations - Audits of group financial statements (including the work of component auditors)

Key changes (continued)

Definition of 'component' - The definition of 'component' has been revised to "an entity, business unit, function or business activity, or some combination thereof, determined by the group auditor for the purposes of planning and performing audit procedures in a group audit".

This provides clarity on how components may be identified in a group audit and may result in a change to how we identify components on a group audit compared to previous years. For example, we may group separate legal entities (e.g., subsidiaries) in a group based on common characteristics (such as common management, common information systems, and common geographical locations) and treat those components as a single component, when appropriate to do so.

Common controls - The definition of 'group-wide' controls has been removed and we are instead required to consider 'common controls', being controls that operate in a common manner for multiple entities or business units.

This may assist us in grouping separate legal entities, business units, functions, or business activities in a group into a single component for the purposes of a group audit; or it may result in us grouping specific account balances or classes of transaction recorded by individual legal entities, business units, functions, or business activities into a single population for the purposes of our audit procedures.

For audits where we are adopting a controls-based audit strategy, this may result in efficiencies, as we can rely on a single control for the purposes of the audits of more than one component where that control is common to those components.

Definition of 'engagement team' - The definition of 'engagement team' has been revised to include component auditors. While this change may seem inconsequential, it forms part of the overall changes intended by ISA (UK) 600 Revised to enhance two-way communication between the group auditor and component auditors during a group audit. This will result in enhanced direction and supervision of component auditors by the group auditor during a group audit.

Calculation of component materiality - The requirement to set overall materiality for a component has been removed. We are now only required to determine component performance materiality.

Other changes - ISA (UK) 600 Revised includes new and revised requirements and application material that better aligns the standard with recently revised standards such as ISQM (UK) 1, ISA (UK) 220, and ISA (UK) 315. The new and revised requirements also strengthen our responsibilities related to professional scepticism, planning and performing a group audit, two-way communications between the group auditor and component auditors, and audit documentation. These changes are to encourage proactive management of quality at the group engagement level and the component level; reinforce the need for robust communication and interactions during a group audit; and foster an appropriately independent and challenging sceptical mindset.

Scope of audit work to be performed over a component's financial information - Forvis Mazars will, going forward, determine the scope of work to be performed over a component's financial information on a group audit using the definitions set out below:

Full scope	Specific scope	Group Engagement Team Instructed Procedures
Designing and performing audit procedures on the entire financial information of a component.	Designing and performing audit procedures on one or more specified account balances, classes of transaction, and/ or disclosures of a component.	Performing specified audit procedures, as designed and instructed by the group engagement team.

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Joint report of the Chief Executive, Deputy Chief Executive, the Monitoring Officer and the Executive Director

Corporate Governance Arrangements
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1. Purpose of Report

To inform the Committee of action taken to develop and comply with statutory obligations regarding corporate governance, and to seek approval for the Annual Governance Statement for its inclusion in the Council's published Statement of Accounts for 2024/25.

2. Recommendation

The Committee is asked to:

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

3. Detail

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

The Statement includes an explanation of the Council's governance arrangements and an update on the implementation of previously identified improvement actions. It concludes with the draft Annual Governance Statement and the Significant Governance Issues Action Plan for 2025/26. Once approved, it will be signed by the Leader of the Council and the Chief Executive prior to inclusion with the published accounts.

The Chief Audit and Control Officer has confirmed that he considers that the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework.

4. Financial Implications

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

There are no direct financial implications arising from this report.

The production of the Annual Governance Statement is a key component of the Council's governance framework and part of the statutory requirements under the Accounts and Audit Regulations 2015. The approved Annual Governance Statement will be included in the latest Statement of Accounts.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Union comments.

8. Climate Change Implications

The climate change implications are contained within the report.

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 this is not a change to policy or a new policy an equality impact assessment is not included.

11. Background Papers

Nil.



Broxtowe
Borough
COUNCIL

Annual Governance Statement

2024 - 2025



The Council's Responsibility for Sound Governance

The Accounts and Audit Regulations 2015 require the Council to prepare and publish a governance statement on an annual basis. The Annual Governance Statement (AGS) describes the Council's governance framework including the systems, processes, culture, and values that are used to direct and control the Council's activities.

The governance framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The AGS establishes the Council's commitment to delivering robust governance arrangements and how it has reviewed the effectiveness of those arrangements. The AGS should explain how it has mitigated and intends to mitigate any significant risks or issues and set out the key issues to be addressed over the coming year. Maintaining a good governance framework that is owned and prioritised across the Council throughout this period is an essential element in ensuring that public money is properly accounted for, and that business is conducted in accordance with the law and appropriate standards.

Scope of Responsibility

Broxtowe Borough Council must ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised.

In discharging this overall responsibility, the Council must put in place proper governance arrangements to manage its affairs. The Council must ensure that there is a sound system of governance (incorporating the system of internal control) based on the principles of CIPFA/SOLACE's Code of Delivering Good Governance in Local Government Framework.



What is Corporate Governance?

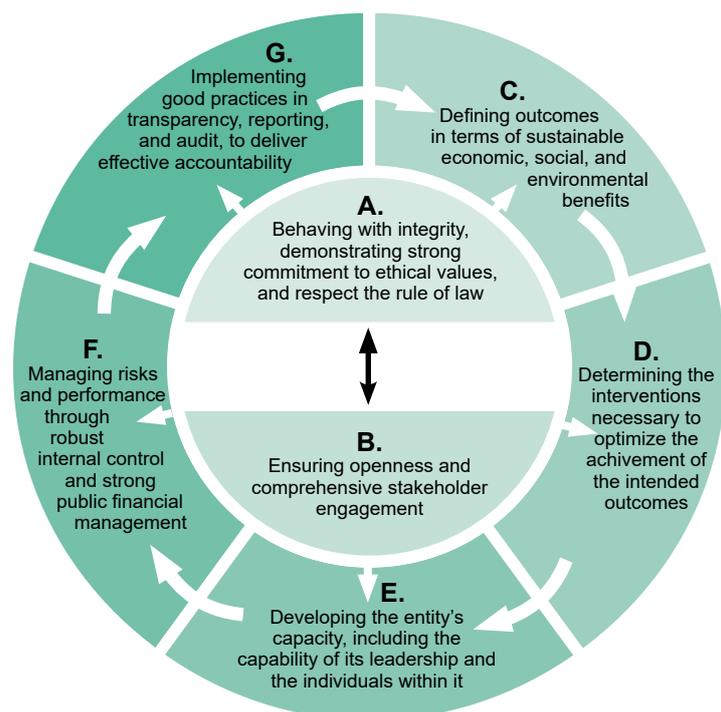
Corporate governance is the system of rules, practices, and processes by which an organisation is directed and controlled.

Corporate governance refers to how the Council governs itself and to what purpose. It defines who has authority and accountability and how decisions are made. In summary, it is a toolkit that enables management and the Cabinet to deal more effectively with the many and varied challenges of running an organisation as diverse as a local authority. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

What is the Annual Governance Statement?

This AGS details how the Council has complied with the Code of Corporate Governance over the past year and meets the requirements of regulation 6 (1) (a) and (b) of the Accounts and Audit Regulations 2015 which requires the Council to publish an AGS. It is the responsibility of all Officers of the Council to comply with the approved Code of Corporate Governance Framework.

The Code of Corporate Governance sets out the documentation, systems and processes by which the authority transparently controls its activities and defines its cultures and values. It enables the monitoring of the achievements of the Council's strategic objectives and consideration of whether these have led to the delivery of appropriate value for money services. The code is based on a set of seven core principles:



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

A summary of how the Council meets with each of the seven core principles, including evidence of the principle in action, and where improvement action or new steps have been taken in 2024/25 is provided below:





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

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

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

Ethical values, standards and formal codes of conduct are defined in the Council's Constitution and form the basis for developing the Council's policies, procedures, and the behaviour of Members and employees. The appropriate processes are in place to ensure that Members and employees are not influenced by prejudice, bias or conflicts of interest when engaging and making decisions with stakeholders, as well as effective systems to protect the rights of employees. All Council decisions consider legal and financial implications with support from the Council's Legal and Democratic Services teams.

Activity within Principle A in 2024/25

- 98% of our Borough Members have received Code of Conduct training and 75% of Parish Members.
- The Council holds Members to account for their behaviour by addressing allegations of breaches of the Member Code of Conduct, of which there were six Code of Conduct complaints against Broxtowe Borough Council Members. There were nine Code of

Conduct complaints made against Parish Councillors. None proceeded to formal investigation, and none involved allegations of fraud or corruption.

- The Constitution contains a protocol for Member and Officer relationships.
- The New Starter Induction Programme includes a meeting with the Council's General Management Team to discuss the Council's Corporate Values. Every new employee undertakes a training course relating to the Employee Code of Conduct which includes the Nolan principles, and ethical issues for example relating to declaration of gifts and hospitality and conflicts of interest.
- The Council collects data relating to its workforce and reviews this through the annual Workforce Profile to identify any inequity, unfairness or prejudice in recruitment procedures or the operation of other HR practices, and as required by law published information regarding its gender pay gap. The Annual Employee Survey also asks employees to indicate whether they are aware of the Council's values. In the 2024/25 survey, 92% of employees were aware of the Council's values; and 89% of employees understood how the Council's vision and values related to the work they do – an increase of 3% and 5% respectively over the previous year's results.
- The latest Workforce Profile was reviewed by the General Management Team and reported to Cabinet in September 2024.
- An annual complaints report is presented to the Governance Audit and Standards Committee in addition to Cabinet. The report provides details of those complaints that are referred to the Ombudsman and where improvements to systems and processes have been made as a result of complaints. Any complaints where a financial settlement is appropriate, or has been made, are also reported in detail. Arrangements for reporting have been reviewed in accordance with the Housing Ombudsman's recommendations.

- Through its Annual Equality and Diversity Report, Members review whether there may be any inequality or unfairness indicated/apparent through the protected characteristics of complaints. The report explains in detail the actions taken to promote equality and diversity. The Gender Pay Gap figure reported in 2024/25 was 4.05%, compared to 3.66% in 2023/24.
- The Council holds employees to account in respect of their conduct and behaviour. Included in the Workforce Profile are figures that show there were nine grievances, four suspensions and one dismissal. The Council has a Whistleblowing Policy, of which there were no reported incidents in 2024/25.
- Every employee has an annual appraisal which leads to a learning plan for the coming year.
- Due diligence is undertaken in the delivery of contracts, ensuring compliance with financial regulations and the involvement of the appropriate legal counsel.
- The General Management Team has a decision log for all delegated decisions.
- Reports have been considered at Cabinet and full Council meetings in relation to Local Government Reorganisation.
- Cabinet receives annual updates on the Council's use of the Regulation of Investigating Powers Act 2000.
- A Corporate Procurement and Commissioning Strategy, Financial Procedure Rules for Contracts and a regularly updated Contract Register have been produced which provide senior management with quarterly oversight reports on compliance in relation to the Council's procurement, contract management and commercial activities.

Links to Key Supporting Policies and Procedures

Member Code of Conduct

Protocol for Councillor/Officer Relationships

Council Complaints

Equality and Diversity

Employee Code of Conduct

Whistleblowing Policy

Complaints Policy

Compensation Policy

Annual Workforce Profile

Proposed activity for the coming year:

- Improve transparency and assurance in relation to documentation of all delegated decisions.
- A checklist for fraud risks to be developed to identify early warning signs and potential for fraud and plans to mitigate any risks identified.
- A 15-point self-assessed maturity model for early warning signs is being developed.
- To review the Whistleblowing, Grievance, Disciplinary, Anti-Bullying and Harassment Policies.
- To review the Employee Code of Conduct.

CORE PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement.

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

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

Activity within Principle B in 2024/25

- There are internal working groups on which there is cross departmental representation, such as the Equality Working Group, Disability Working Group, the Senior Management Team and the Local Joint Consultative Committee which has cross-representation with Officers and Members.
- The Council has a webpage dedicated to consultations, those carried out during the period have been the Household Energy Survey, Greater Nottingham Strategic Plan Publication Draft Budget Consultation 2025/26, Surveillance Cameras, Reduction of Carbon in New Development Supplementary Planning Document, Housing Strategy 2024-28, Parks and Open Spaces Survey 2024, Broxtowe Borough Markets Survey, Smoke Control Orders, Statement of Gambling Principles 2025-27, Massage and Special Treatments consultation and the Brinsley Headstocks consultation.
- Let's Talk Broxtowe – a consultation over the new Corporate Plan took place and consisted of a survey and drop-in workshops throughout the Borough informing emerging plan priorities prior to the agreement to adopt the Corporate Plan at a full Council meeting on 10 July 2024.
- Members are allocated £200 each to assist with the facilitation of surgeries to enhance resident engagement. This is a means by which Councillors keep in touch with local people and identify action which needs to be taken which they feed back to Officers or committees, and community meetings at which Officers provide updates on key areas of work.
- The Local Strategic Partnership, chaired by the Leader of the Council, The Health and Learning Difficulties Partnership and Children and Young Peoples Task Groups are organisations which deliver joint action. There is a Cost of Living Partnership Group which includes external partners and was set up to support local people to respond to cost of living pressures.
- The Council's Planning Department supported the development of local Neighbourhood Plans. The Toton and Chetwynd Neighbourhood Plan has been formally adopted.
- The South Notts Community Safety Partnership, chaired by the Chief Executive, and Broxtowe Crime Reduction Group are mechanisms through which leaders of public and voluntary sector organisations in South Nottinghamshire co-ordinate activity and identify strategic issues which need joint action. The Council also has representation on the Safer Notts Board.
- There are regular tenant led Service review groups for Housing. The Resident Involvement Group meets monthly at different locations throughout the Borough and consults on ideas and service improvements,





while the Tenants Panel, a strategic group for high level work on policies chaired by a resident Tenant Involvement Network, has quarterly workshops on specific topics. The Panel has been conducting a review of the voids property processes and will present its findings to the appropriate Committee in accordance with the Council's scrutiny arrangements.

- Broxtowe Matters residents' newsletter continued to be published and Email Me bulletins on various categories of interest to residents. The distribution of the publication of the newsletter was amended to maximise on the growth of the digital channels with increased engagement with hard-to-reach groups who are not on-line.
- Regular press releases, and publicity on twitter and Facebook kept residents abreast of the Council's activities and matters of local relevance. The distribution of the publication was amended to maximise on the growth of the digital channels with increased engagement with hard-to-reach groups who are not on-line.
- In the delivery of Capital Works there is a planned maintenance programme that is shared with other areas of the Council for review and feedback. Proposals are put forward for spend and delivery of services to internal stakeholders through the General Management Team and Cabinet while providing opportunities for residents to feedback on completed works allowing for improvements in service delivery.
- Within Asset Management there are pilot capital investment schemes which form a central point of front facing engagement processes with customers. There is regular engagement with a Customer Panel, to gain input on strategic policy and strategy matters and customer inclusion on capital investment project teams.



Links to Key Supporting Policies and Procedures

Corporate Plan

The Greater Nottingham Strategic Plan

Statement of Community Involvement

Cultural Strategy

Community Strategy

Fraud Charter

Hate Crime Pledge

Proposed activity for the coming year:

- Blue Green Infrastructure Strategy consultation.
- Citizen Visioning – Climate Change consultation.
- Play Strategy Consultation.
- Waste Strategy Consultation (will be dependent on the LGR).
- Consultation and Review of Public Space Protection Orders

CORE PRINCIPLE C:

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

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

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

Activity within Principle C in 2024/25

- The Council's vision and priorities are set out in its Corporate Plan. Under the Corporate Plan there are business plans for each of the Corporate Plan priorities, these are: Housing (including Tenant Satisfaction Measures), Business Growth, Community Safety, Health, Environment, Liberty Leisure Ltd, Bereavement Services, Resources, Revenues, Benefits, and Customer Services, and ICT.
- Each Corporate Plan priority is supported by a number of strategies which informs the strategic direction of the subject area and sets the framework within which annual business plan tasks and targets are set.
- Performance reporting to Cabinet focuses on Critical Service Indicators and financial information indicating variances from the expected position. This takes place on a quarterly basis.
- The Council's financial plans are based on a Medium Term Financial Strategy which identifies future budget pressures. This is revised annually as part of the budget setting process and is kept under review throughout the financial year.



- The Council's annual Business Strategy has the following four objectives: that the Council should be: lean and fit in its assets, systems and processes, customer focused in all its activities, commercially-minded and financially viable and making the best use of technology.
- Detailed reports to the Overview and Scrutiny Committee are produced at the year end to highlight financial variances from the expected position. This also happens in relation to capital plan monitoring. Within quarterly financial reporting to committees there is reporting on progress on major income streams, progress on capital schemes and salaries spending.
- The Council has a Strategic Risk Register which is regularly reviewed and reported to the Governance, Audit and Standards Committee. The Committee continues to consider a further level of risk control involving a dashboard on key corporate projects.
- Progress on delivering business plan targets, tasks and achievement of outcome indicators are regularly reported to Members for scrutiny.
- The Economic Development and Regeneration Strategy 2022-28 was refreshed and approved by Cabinet in December 2024.
- A new Electric Vehicle Infrastructure Strategy was approved by Cabinet in July 2024, which is one of the actions outlined in the Climate Change and Green Futures Strategy.
- The Litter Strategy and Tree Strategy were reviewed and adopted by Cabinet in March 2025.
- Work has commenced on a Social Value Policy with a clear process to formally embed Social Value into all procurement processes followed by the Council and to ensure that the Council uses its role as a procurer to deliver inclusive growth in line with the priorities in the Council's Corporate Plan and get best value for Broxtowe.
- The Corporate Enforcement Policy was reviewed and operational policies and practices are reviewed in addition to the competency of employees.
- A new People Strategy was approved in 2024. This combines the Council's learning and development, apprenticeship and organisational development ambitions.
- The Council has begun formal consultation in terms of a revised Asset Management Strategy for the next five years, looking at the more effective and efficient ways to grow the current HRA portfolio, maintain it to ensure the housing product both meets statutory requirements and the expectations of customers.
- There was delivery of part funded Social Housing Decarbonisation projects in Eastwood, and a further bid for the next wave of funding (Wave 3) submitted to support the 2024/25 work stream.
- The Council held its first Climate Change Forum, which will now become an annual event.



Links to Key Supporting Policies and Procedures

Green Infrastructure Policy 2015-2030

Greater Nottingham Strategic Plan

Local Plan Part 2 2018-28

Climate Change and Green Futures 2020-27

Playing Pitch Strategy 2016-28

EVI Strategy

Tree Strategy

Litter Strategy

South Nottinghamshire Homelessness and Rough Sleepers Strategy 2022-27

Broxtowe Play Strategy 2017-25

Economic Development and Regeneration Strategy 2022-28

Revenue Budget and Medium Term Financial Strategy for 2025/26

Capital Strategy, Asset Management Strategy and Treasury Management and Investment Strategies

Customer Services Strategy 2023-2026

Communications and Engagement Strategy 2023-2026

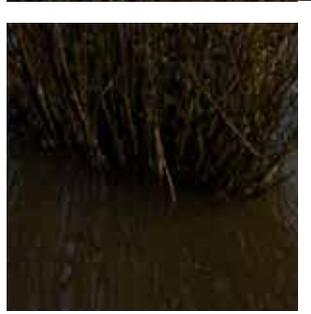
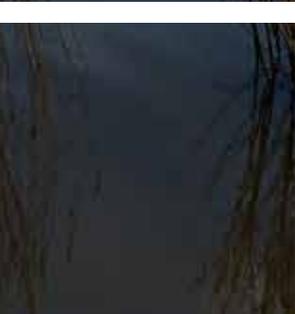
Nottinghamshire ASB Protocol

White Ribbon Accreditation

Proposed activity for the coming year:

- Review the Climate Change and Green Futures Strategy.
- Review and update the Carbon Management Action Plan.
- Refresh the Blue Green Infrastructure Strategy.
- Review the EVI Strategy.
- Refresh the Waste Strategy.
- Refresh the Play Strategy and create a supporting Pride in Parks programme covering a five-year period.
- Substance Misuse Strategy.





CORE PRINCIPLE D:

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

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

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

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

Activity within Principle D in 2024/25

- The Council takes time to analyse options in relation to major decisions.
- The Council examines options for the future use of its assets in order to improve public value. Developments of Beeston and Stapleford business hubs are almost fully let, food and beverage outlets built by the Council supporting the new cinema use in Beeston town centre are almost fully let. Work has begun to understand the financial performance of properties and the investment required, the outcomes of which may determine disposal, tenure change reinvestment or redevelopment.
- The Council considers the impact on customers when considering options to change patterns of service delivery – there is consultancy support to develop ‘Kimberley Means Business’ and extra employees have been recruited. Extra resources are in place to implement the UKSPF programme, and external consultants provided targeted support to implement the Stapleford Towns Fund projects.
- The Council is pro-active in identifying threats and risks to safety and works in partnership to mitigate these. The Capital Works team is provided with the necessary PPE and has received lone worker devices, a safety consultant was procured to review risk assessments.
- During 2024/5 the health and safety team was considerably strengthened to create a new Head of service position, and two new career graded officers to support the role. This has improved our capacity, succession planning and resilience to severe weather events and other emergencies.
- New arrangements were implemented for health and safety compliance monitoring with the Health and Safety Sub-Committee to commission fire risk assessments, new asbestos management reports, stock condition surveys and agreement to appoint a new data analyst.





- A full review of PPE provision across the Capital Works team was undertaken, to ensure employees have the correct equipment to work safely, and provision of an industry recognised accreditation for all employees visiting site has been rolled out.
- There was the introduction of locally based, smaller external consultants, to undertake quantity surveying and contract management activities, with internal employee shadowing, with a view that they will perform these activities in the future.
- The Council works with outside experts as well as internal and external stakeholders to identify potential better ways of delivering services, such as Environmental Strategy Working Group, and other external partners including both Nottingham universities. Capital Works liaises with the internal financial and procurement team to procure new services and seeks procurement support in the tendering process.
- The Council regularly revises and updates its proposals to achieve savings and generate additional income The Business Strategy was updated in preparation for the 2025/26 budget as was the Medium Term Financial Strategy.
- The Council is proactive in tackling areas of poorer performance. A Housing Improvement Board was formed to assist with the accountability and delivery of a programme of improvements relating to the housing service. Measures were put in place in to improve the Housing Repairs service and have been implemented. Regular monthly contractor performance meetings take place to provide feedback on the quality of housing works.
- The Council has regard to external events and is proactive in examining whether its arrangements respond to identified risks and threats. There has been an active and positive part in a bid to have a county deal for Nottinghamshire. The Council plays an active part in receiving asylum seekers and refugees and has in place a Refugee and Asylum Seekers Steering Group. Issues identified within Domestic Homicide Reviews and Serious Case Reviews are discussed both countywide and locally to ensure the Council's responses are appropriate.
- The Council works with outside experts as well as internal and external stakeholders to identify potential better ways of delivering services.
- The Rent Collection team has built on previous achievements through the installation of new software, employing extra capacity and supporting tenants with financial resilience and achieved continuing downward reductions in rent arrears.
- A new Housing Strategy was agreed by Cabinet in February 2025 following consultation over the Summer of 2024.
- Asbestos and Fire Policies were updated to reflect regulatory requirements in March 2025.
- A new Housing Complaints Officer post was agreed by Cabinet to provide continuity of stage 1 complaints responses in the Housing Department.
- Restructures have been agreed in different sections to strengthen capacity, resilience and succession planning. These areas include Waste and Recycling, Economic Development and ICT.

- The Broxtowe Local Enterprise Agency was formed to further the aims of the Economic Development and Regeneration Strategy.
- Economic Development, Environment, Housing, Benefits and ICT.

Links to Key Supporting Policies and Procedures

Greater Nottingham Joint Planning Advisory Board

Broxtowe Local Strategic Partnership

Counter Terrorism Local Profile and Summary Situational Risk Assessment

Proposed activity for the coming year:

- A key area of activity during the year will be to respond to the challenge of local government reorganisation and ensure the council responds to the request for a final proposal by November 2025.
- The Council will revisit its Business Strategy to ensure the budget gap is reduced





CORE PRINCIPLE E:

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

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

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

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

Activity within Principle E in 2023/24

- The structure and cost of service delivery is continually reviewed.
- The Council enhances its capacity, increases resilience and broadens access to skills through sharing a range of services with neighbouring authorities such as with Erewash Borough Council to run a crematorium and burials service and Erewash runs its Building control service, a partnership with Ashfield regarding collection of Business rates and works in partnership with Newark & Sherwood and Ashfield on surveillance camera management. The is joint provision with Gedling and Rushcliffe around rough sleeper provision.
- As much as identifying ways of reducing expenditure the Council is also prepared to invest in additional capacity to respond to changing needs of residents and customers, to enhance knowledge and insight and improve the quality and cost-effectiveness of service delivery. Furthermore, Housing Repairs vacancies have stabilised and the majority of repairs services are now delivered in-house and the historic dependency on sub-contractors is no longer needed. As we seek to deliver an affordable Housing Delivery Programme the Team has been expanded to include posts at trainee level and interim support has been provided to meet the needs of the Homes England requirements.
- Business and financial performance is regularly scrutinised by Cabinet and committees. The Council has maintained tight financial control and good income generation during 20 24/25.
- Committees consider a range of data including benchmarking data to assess the quality of Council services, the Cabinet receives information on the results of Housemark benchmarking data. The Council uses the LGINform website as a data comparison tool. External consultants also produce feedback on performance comparisons with peers, for example on the new Housing Regulation tenant standards.





- New strategies and policies were developed for employees around Foster Caring, Compassionate Leave, Neonatal Care Leave, Flexible Working, Maternity and Paternity Leave, and Redeployment and Redundancy.
- There were seven participants in the Institute of Leadership Management’s Level 3 programme and also seven in the Level 5 programme, and 18 employees undertook Manager Refresher/Policy Training with the HR Manager.
- The Council uses the Modern.Gov software system to produce agendas and circulate reports prior to publication which enables increased consultation between Officers prior to publication.
- The Overview & Scrutiny Committee undertook a review of Diversity and Inclusion at the Council and its recommendations were presented to Cabinet.
- There was continued partnership with Nottinghamshire County Council to deliver a compliant and effective procurement function, including partnership training sessions for internal colleagues.
- There was successful development of Housing Delivery Apprentices, including cross over work with Capital Works Team to broaden their knowledge base.

Links to Key Supporting Policies and Procedures

Organisational Development

Learning and Development Policy

People Strategy



Proposed activity for the coming year:

There are no new proposals, and attention will be focused on implementing the Council’s People Strategy which was approved in 2024/25.

CORE PRINCIPLE F:

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

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

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

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

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

Activity within Principle F in 2024/25

- The Council integrates a risk management approach into its performance management arrangements through the development of a Risk and Compliance Action Plan, which integrates action planning arising from the need to improve governance (actions identified through the SOLACE/ CIPFA review); risk management mitigation actions identified through the Strategic Risk Register and compliance with the law, both current and future.



- The Council has a Strategic Risk Management Group that reports to the General Management Team and the Governance, Audit and Standards Committee which regularly considers and approves updates to the Strategic Risk Register.
- All key decision reports submitted to Cabinet contain a risk assessment where appropriate, which is used to update the Strategic Risk Register. All action points within business plans are required to be risk assessed.
- The Governance, Audit and Standards Committee has oversight and decision-making responsibility for determining the Internal Audit Plan; monitoring progress made with the Plan, the implementation of audit recommendations and the Strategic Risk Register.
- Members of the Governance, Audit and Standards Committee can have independent access to the Chief Audit and Control Officer, where considered to be necessary. The Chief Audit and Control Officer is satisfied that in all respects he has the necessary authority and resources to assess the Council's governance, risk and internal control environment and highlight any problems that he considers should be drawn to the attention of the Council. The results of the most recent External Quality Assessment of the effectiveness of Internal Audit were considered by the Governance, Audit and Standards Committee as part of the Annual Review in July 2024. This review was conducted by an experienced and independent assessor. The outcome of this review was positive and indicated that Council's Internal Audit service generally complies with the expectations of the Public Sector Internal Audit Standards. This provides the Council with confidence in the assurance work that is provided by Internal Audit. Furthermore, the outcome of the review was benchmarked against other providers in both the sector and the wider industry and this showed that the team compares favourably in comparison with its peers. Whilst the review did identify a handful of recommendations, these were made in order to further improve existing arrangements rather than to correct any potential deficiencies.
- The Safety Committee and Civil Contingencies Planning Group, chaired by the Chief Executive and comprising relevant senior Officers, considers and develops plans to mitigate risks arising in workplace settings, or threats from flooding, major emergency events or risks to health.
- A corporate Business Continuity Plan seeks to mitigate the effects of a potential disruption to services so that the impact of such a disruption is minimised and services restored to an acceptable level within pre-set timescales. The Business Continuity Plan is reviewed by the Strategic Risk Management Group. Departmental business continuity plans also exist.
- The Fraud and Corruption Prevention Policy Statement is that the Council takes a zero-tolerance approach to fraud and corruption. An annual report relating to fraud and corruption

prevention activity and a fraud risk assessment is submitted to the Governance, Audit and Standards Committee, the latest being in September 2024. The delivery of the action plan helps to further strengthen the arrangements in place. Data matching exercises are regularly undertaken in conjunction with the National Fraud Initiative (NFI) through the Cabinet Office.

- A proactive approach has been undertaken by introducing the Fraud and Error Reduction Incentive Scheme (FERIS) approach and a risk-based assessment framework for benefits applications, including the Local Council Tax Support Scheme, for which the Council remains fully accountable.
- The Council is committed to establishing a strong anti-fraud/corruption culture and will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts. Any indications of potential benefits fraud are forwarded to SFIS for investigation.
- The Council has processes in place which help to identify and tackle fraud. An analysis of residual non-benefits related fraud investigation requirements was undertaken prior to the transfer which identified no substantial areas of immediate concern for the Council other than that which can normally be addressed as part of the work of Internal Audit.
- Chief Officers are required to prepare an annual statement of compliance with internal control stating compliance with the law and approved policy.
- The Council has information governance arrangements in place including safe collection, storage, use and sharing of data. A suite of online information management products has been developed and are required to be completed by employees at various levels. Comprehensive Information Management Policies are in place. An online Data Protection Act 2018 employee training product was completed by all employees.
- The Council has adopted an information management and governance structure that includes clearly defined roles and responsibilities. This ensures that all information assets have an assigned Information Asset Owner. Additionally, the Council has a dedicated Information Governance Officer who conducts an annual SIRO audit against key Information Governance objectives, with results reported to the General Management Team.
- The Council has increased its investment in Cyber Security to protect information assets from cyber-attacks. This includes a new storage and computing environment with immutable protection against ransomware, and the latest generation technology to secure the boundaries between the Council's network and the Internet.
- A newly appointed ICT Cyber Security and Surveillance Officer is responsible for the security of all information assets. This includes security patching, vulnerability scanning, and compliance controls to meet security standards. This Officer will also be responsible to ensure physical security is in place through surveillance monitoring systems.





- Regular quarterly reports on service performance and financial performance are produced. Areas of underperformance are highlighted and improvements recommended.
- The Council welcomes external agencies to provide feedback on performance and responds positively to suggestions for improvement, the occasional use of external consultants for specific areas of focus provides an independent and expert view of the Council's current activities and potential for improvement.
- The Council introduced a formal Construction Design Management (CDM) training via an external consultant, who will initially take the role of Principle Designer for all applicable capital works projects.
- There was an enhanced internal process between A&D and Internal Audit to provide greater scrutiny on the financial viability of all contractors, through the procurement process.

Links to Key Supporting Policies and Procedures

Information Security Policy

Information Management Strategy

Data Quality Policy

Data Retention Policy

Development Policy

Information Classification and Handling Policy

Information Security Breach Policy

Legal Responsibilities Breach Policy

Freedom of Information (FOI)

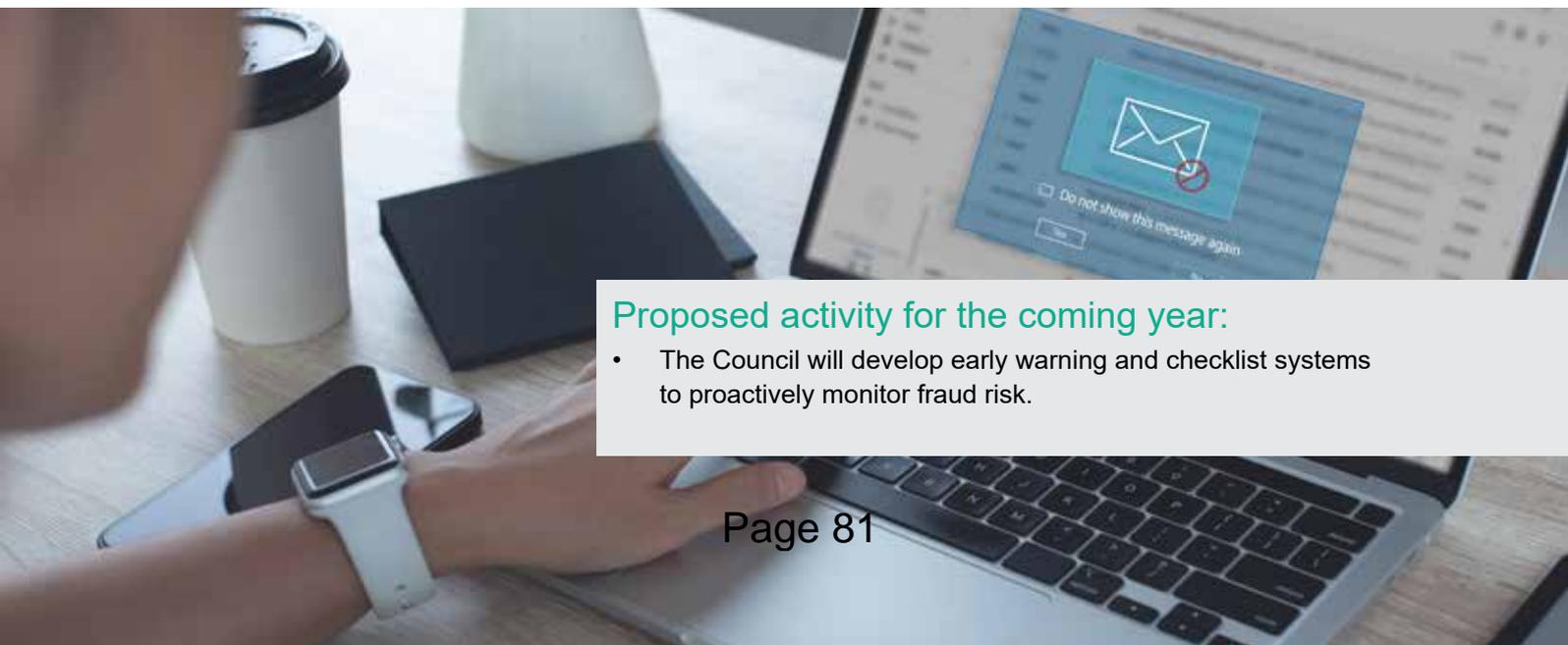
RIPA

Risk Management Policy

Strategic Risk Register

Risk Management Policy

Strategic Risk Register



Proposed activity for the coming year:

- The Council will develop early warning and checklist systems to proactively monitor fraud risk.

CORE PRINCIPLE G:

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

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

Activity within Principle G in 2024/25

- The Council complies with its obligation to produce a Publication Scheme which is published on the Council's website and reviewed regularly.
- The Council publishes data in a transparent way which is accessible through the website.
- The Council reports annually on performance and financial stewardship through a newsletter which goes to every household in Broxtowe.
- A Governance, Risk and Compliance Action Plan is produced which incorporates governance improvements identified as a result of the annual governance check
- Internal Audit and External Auditor recommendations are acted upon and reports are regularly made to the Governance, Audit and Standards Committee on progress in implementing agreed actions following an Internal Audit.
- Internal approval processes are followed ensuring there is transparency in reporting and auditing.
- The internal Audit Team re-engaged to review previous audits on both Estates and Capital Works, in order to check progress made since the last report.
- There was HQN Mock Social Housing Regulator training agreed and scheduled, which will provide both a current performance position for the Council's Housing function, and a roadmap for improvement where required.



Links to Key Supporting Policies and Procedures

Publication Scheme

Transparency Code 2015

ICT Strategy

LGA Peer Review Improvement Plan

Proposed activity for the coming year:

- Improve the transparency and assurance process for all officer decision making under delegated powers.

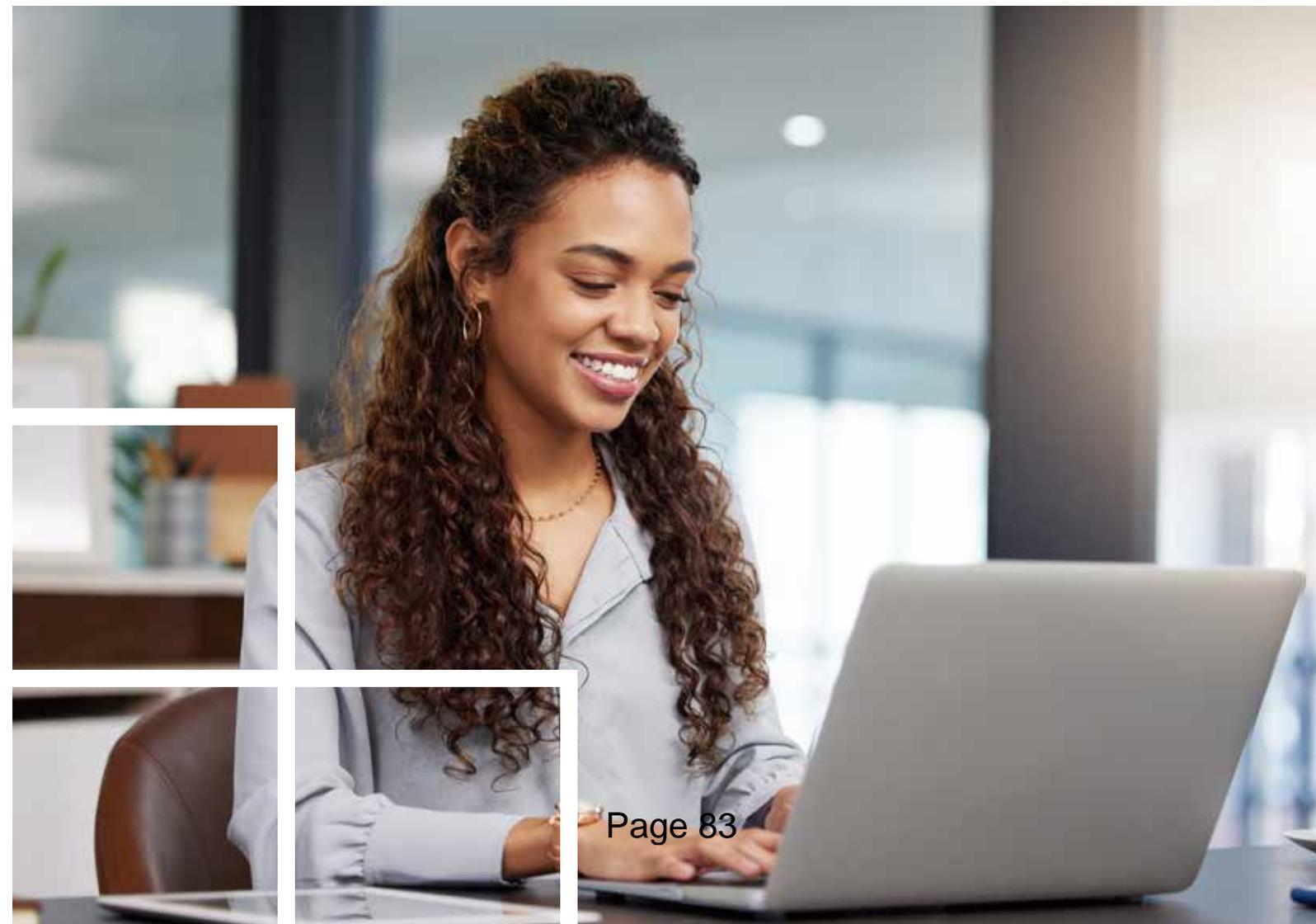


Conclusion

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

The operation of the Governance Framework during 2024/25 has provided the Council with assurance that proper practices are in place governing the conduct of the Council's business. Additional improvement actions have been identified through the annual review of the standard and are included in the Governance Risk and Compliance Action Plan.

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



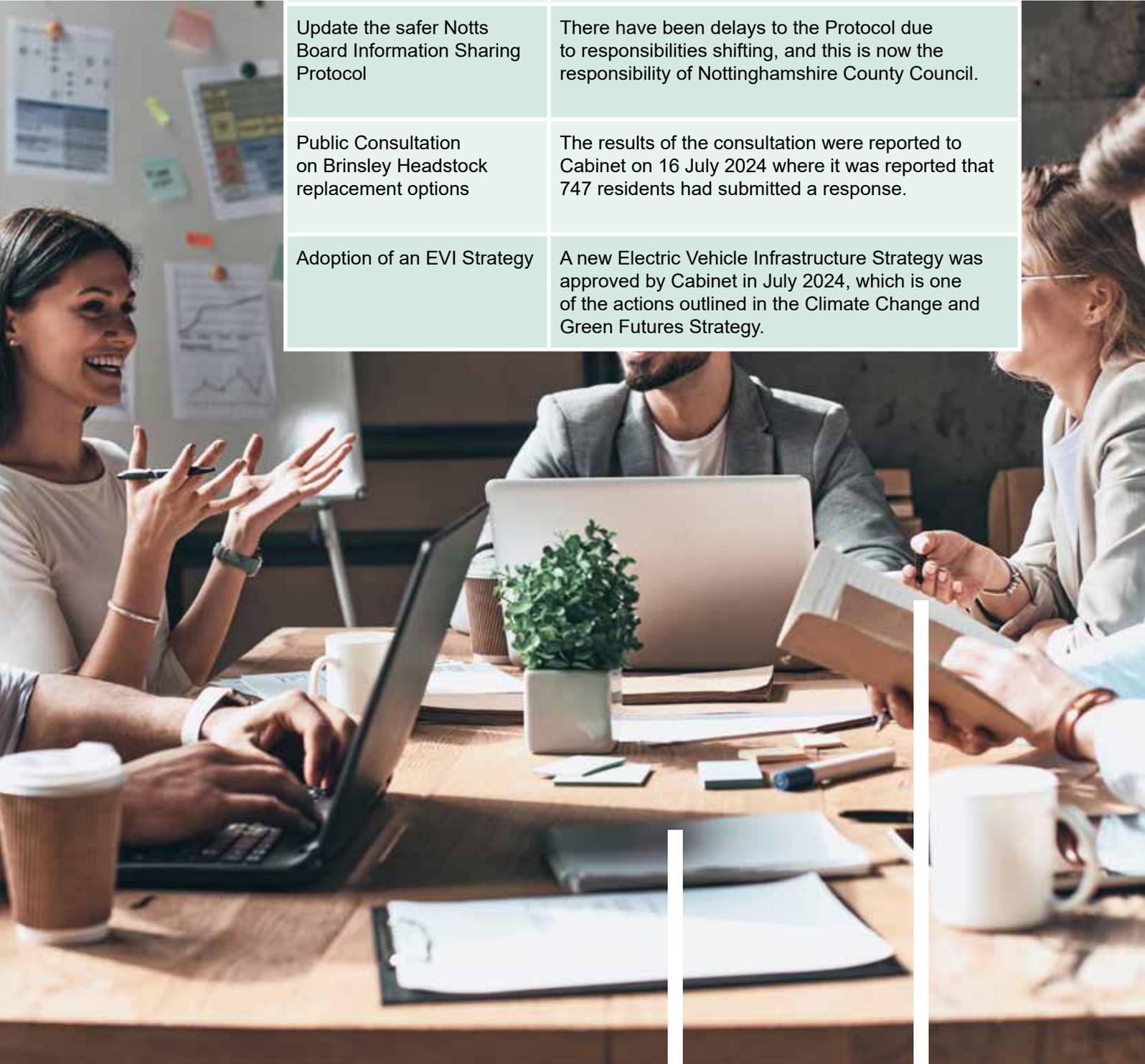
Governance Risk and Compliance Action Plan 2023/24

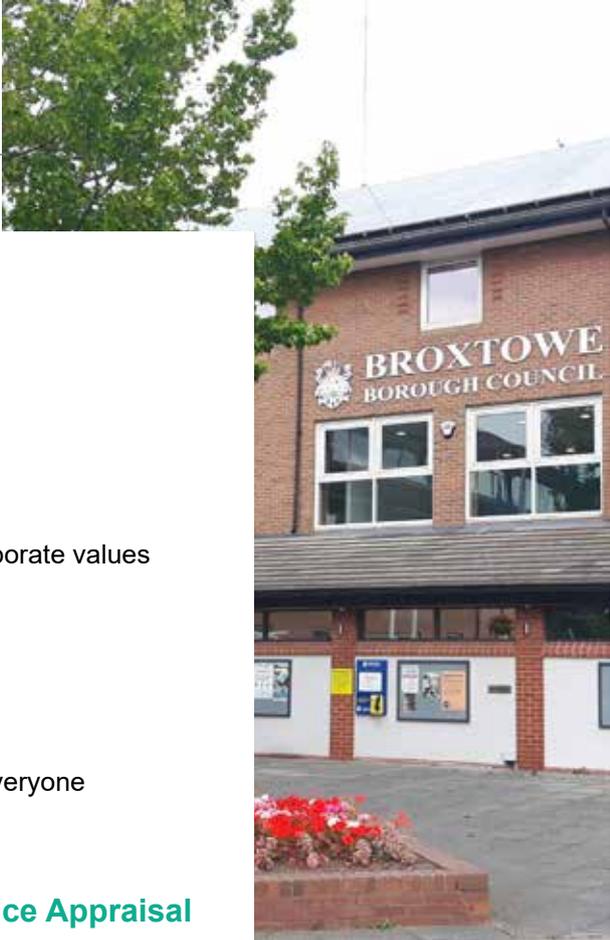
Progress against the actions included in the Annual Governance Statement from 2023/24 is included in the following table:

Action	Progress
Implement the Local Government and Social Care Ombudsman and the Housing Ombudsman's Joint Code for Complaint Handling	The Council adopted a new Complaints Policy and consequently amended the Constitution in order for the Portfolio Holder for Resources and Personnel to be appointed as the Member responsible for complaint handling. A further requirement was to publish a Self-Assessment form which was approved by Cabinet on 11 March 2025.
Review and implement the current ASB Case Review (Community Trigger) process, procedure and documentation.	The Review has been completed and been tested following a Community Trigger and has worked well and shown improvements.
Employee Code of Code of Conduct Review	The document remains under review and will be considered by Members during 2025.
Refresh the Economic Regeneration Strategy	The Economic Development and Regeneration Strategy 2022-28 was refreshed and approved at the Cabinet meeting in December 2024.
Update to the South Notts Community Safety Partnerships Strategic Plan	The Plan has been completed and was approved by the Community Safety Partnership in January 2025.
Deliver the Health and Wellbeing and Crime Reduction Action Plans	Both plans are currently being delivered. These are live plans with continuous actions being added.
Update to the Serious Violence and Violence against Women and Girls Strategy	The Strategy was submitted to Cabinet where it was approved.
Updates to the Sanctuary Policy Procedure and Documentation	This was completed as a county-wide action. There is now alignment of documents and procedures to prevent the postcode lottery. This has been tested and is working well.



Action	Progress
Update the Counter Terrorism Local profile and Situational Risk Assessment	The Local profile and Situational Risk Assessment have been updated and been submitted to the Council's Policy Overview Working Group and is due to be approved Cabinet in June 2025.
Update the safer Notts Board Information Sharing Protocol	There have been delays to the Protocol due to responsibilities shifting, and this is now the responsibility of Nottinghamshire County Council.
Public Consultation on Brinsley Headstock replacement options	The results of the consultation were reported to Cabinet on 16 July 2024 where it was reported that 747 residents had submitted a response.
Adoption of an EVI Strategy	A new Electric Vehicle Infrastructure Strategy was approved by Cabinet in July 2024, which is one of the actions outlined in the Climate Change and Green Futures Strategy.





Draft Annual Governance Statement

The Council’s Governance Arrangements

Corporate Values

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

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

Competency Framework and Employee Performance Appraisal

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

The Constitution, Standing Orders and Delegated Authority

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

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



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



Officer checks/ balances	Member checks/ balances	Accountability to residents
<ul style="list-style-type: none"> • Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 Officers; Monitoring Officer); Chief Information Officer-Executive Director • Financial standing orders within Constitution • Contract standing orders within Constitution • Fraud Prevention Policy • Treasury Management policy • Business Continuity Plans • Whistleblowing Policy • Strategic Risk Register • Risk Management Policy • Health & Safety Policy; Procedures; Health & Safety Group • Information Management Arrangements • Employee engagement exercises • Complaints and compliments procedure • Licensing and Appeals Committee (employment and grievance appeals) • Statement of Internal Control (SIC) 	<ul style="list-style-type: none"> • Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 Officers; Monitoring Officer); Chief Information Officer-Executive Director • Questions to Members at Council meetings • Member Code of Conduct • Reports at Council by Members of Outside Bodies at Council meetings • Ward Member reports at Council meetings • Public Consultations • Register of Members Interests • Declaration of interests at all meetings • Protocol for Councillor/ Officer Relationships 	<ul style="list-style-type: none"> • Communications Strategy 2023-26 • Publication Scheme • Open Data • Transparency framework • Publication of Committee decisions • Tenant and Leaseholder Matters • Broxtowe Parks Standard • Public satisfaction surveys • External audit annual letter to Governance, Audit & Standards Committee • Internal and external audit progress reports at Governance, Audit & Standards Committee • Periodic external inspections e.g. EFLG/ IIP/IIE/LGA • Peer review • Benchmarking through APSE/CIPFA/ SOCITIM/ Housemark • Finance Data online • Licensing and Appeals Committee (Taxi, alcohol, licensing matters) • Commenting on Planning applications and speaking to Planning Committee

Corporate Plan and Business Plans

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

The priorities are succinctly expressed:

Housing: A good quality home for everyone

Environment: Protect the environment for the future

Business Growth: Invest in our towns and our people

Leisure and Health: Healthy and supported communities

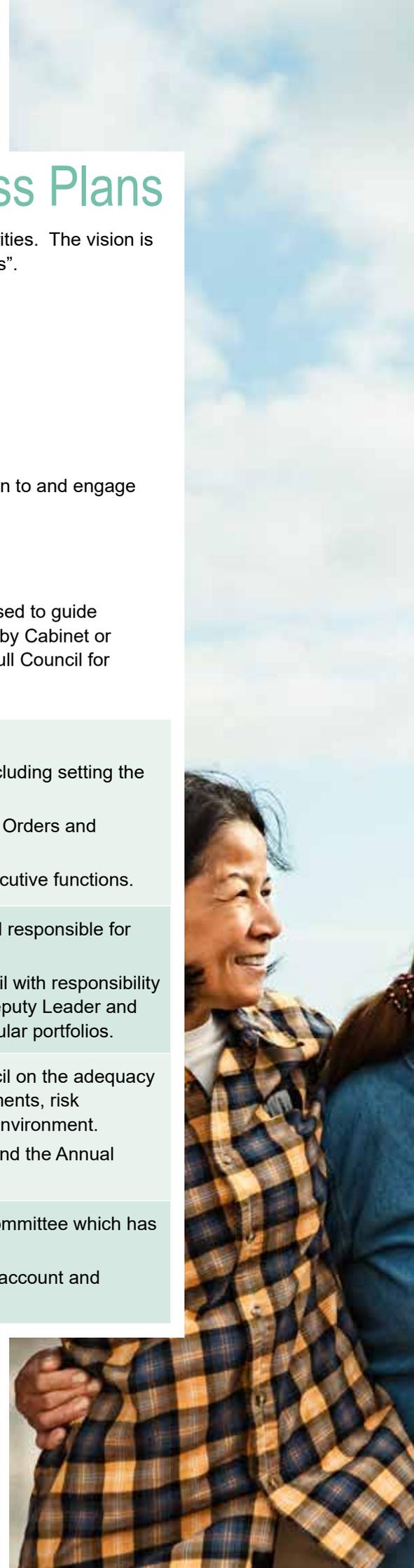
Community Safety: A safe place for everyone

Communities and Engagement: Improve the way in which we listen to and engage with residents

Strategy and Policy Framework

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

<p>The Council</p>	<ul style="list-style-type: none"> • Consists of 44 Elected Members. • Approves the budget and policy framework including setting the Council Tax. • Approves the Constitution (including Standing Orders and Financial Regulations). • Establishes Committees to discharge non-executive functions.
<p>Cabinet</p>	<ul style="list-style-type: none"> • The main decision-making body of the Council responsible for executive functions. • Leader of the Council appointed by the Council with responsibility for executive functions and who appoints a Deputy Leader and Cabinet Members with responsibility for particular portfolios.
<p>Governance, Audit and Standards Committee</p>	<ul style="list-style-type: none"> • Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. • Approves the Annual Statement of Accounts and the Annual Governance Statement.
<p>Scrutiny Committee</p>	<ul style="list-style-type: none"> • The Council has an Overview and Scrutiny Committee which has the ability to appoint Task and Finish Groups. • The Committee holds Cabinet and Officers to account and scrutinises performance.



Head of Paid Service	<ul style="list-style-type: none"> • Overall corporate management and operational responsibility for the Council, including overall management for responsibility for all employees • The provision of professional advice to all parties in the decision-making process and, representing the Council on partnerships and outside bodies • The Head of Paid Service will determine how the Council's functions are discharged, the number and grade of Officers required to discharge the functions and how Officers are organised.
Chief Finance Officer (s151)	<ul style="list-style-type: none"> • Accountable for developing and maintaining the Council's governance, risks and control framework. • Ensuring lawfulness and financial prudence of decision-making and the administration of financial affairs. • Providing advice to all Councillors on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues, and will support and advise Councillors and Officers in their respective roles. • Contributes to the effective corporate management and governance of the Council.
Executive Director	<ul style="list-style-type: none"> • Responsible for the Council's Information Governance, Environment Service, Payroll, Administration, Communication, Health and Safety and Emergency Planning Services. • Contributes to the effective corporate management and governance of the Council.
Monitoring Officer	<ul style="list-style-type: none"> • Monitoring, reviewing and maintaining the Constitution. • Ensuring lawfulness and fairness of decision-making. • Supporting the Standards processes. • Contributes to the effective corporate management and governance of the Council.
Chief Audit and Control Officer	<ul style="list-style-type: none"> • Provides independent assurance and opinion on the adequacy and effectiveness of the Council's risk management and control framework. • Through the internal audit service delivers an annual programme of risk based activity, including counter fraud and investigation activity and makes recommendations for the improvement in the management of risk and control.
General Management Team	<ul style="list-style-type: none"> • Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues. • Oversees the delivery of the Council's Corporate Plan and implementation of Council policy.
Assistant Directors/ Heads of Service	<ul style="list-style-type: none"> • Responsible for developing, maintaining and implementing the Council's governance, risk and control framework • Contribute to the effective corporate management and governance of the Council

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

Two internal committees recommend changes to employee and Member conditions – the Local Joint Consultative Committee which considers employee related matters before making recommendations to Cabinet, and the Independent Remuneration Panel, which considers matters relating to the remuneration of Members before making recommendations to Council. The Independent Remuneration Panel reviewed Members' Allowances in January 2025 and decided to recommend an increase in the allowance in-line with the employee pay award, in addition to an increase in the basic Members' allowance of £600 in order to bring Broxtowe Members closer to Council with the next lowest allowances in Nottinghamshire. Full Council received the report of the Panel's findings on 5 March 2025 and accepted the recommendation.

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

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

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

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

Full control of the company is maintained by the Council through the governance arrangements that are in place, with the Advisory Shareholder Sub-Committee maintaining an oversight of the company.

Strategies, Policies and Business Plans

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





Electoral Arrangements

Elections for the Nottinghamshire Police and Crime Commissioner were held during 2024/25 in addition to the Parliamentary election. There was also a by-election for the Chilwell East Ward and the Chetwynd: Toton and Chilwell Neighbourhood Plan Referendum. The Council operates an 'all out' system of elections every four years.

Statutory Officers

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

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

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

The Deputy Chief Executive is the appointed Section 151 Officer and is a key member of the General Management Team. Being part of the General Management Team, together with meeting with leading Members and attending full Council, Cabinet and other appropriate Committees, as required, ensures that the Section 151 Officer can provide corporate financial advice to the Council at the appropriate level and that financial implications and risks are properly taken into account.

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

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

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

Internal Audit

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

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

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

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





External Audit

The external auditor reviews the Council's arrangements for:

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

The external auditor gives their opinion on the Council's accounts and whether or not proper arrangements exist to secure value for money. The Council continues to examine the use of its financial systems to help produce information for financial management, the capacity of the Finance Services teams and the financial reporting processes used to advise Members during the course of the year.

Fraud and Corruption

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

The Chief Audit and Control Officer is the central contact for non-benefit fraud allegations. The role of Internal Audit has been extended to act as a co-ordinating and investigating service for all non-benefit related fraud and corruption reports and to manage the Council's response to such reports.

Partnerships

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

Significant Governance Issues – Action Plans

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

Actions	Link to Core Principle/Officer Responsible	Date
Review Plans and Policies for: <ul style="list-style-type: none"> Whistleblowing Disciplinary Process Grievance Anti-Bullying and Harassment Employee Code of Conduct 	Core Principle A Monitoring Officer	September 2025
Develop or refresh strategies for: <ul style="list-style-type: none"> Blue and Green Infrastructure Play Strategy Waste Strategy Climate and Green Futures Strategy 	Core Principle B, C Executive Director/Assistant Director - Environment	July 2025
Develop or refresh strategies for: <ul style="list-style-type: none"> Asset Management 	Core Principle B, C Deputy Chief Executive/Assistant Director - Asset management and Development	March 2026
Develop or refresh strategies for: <ul style="list-style-type: none"> Substance Misuse 	Core Principle B Chief Executive/Head of Communities and Community Safety	December 2025
Greater Nottingham Strategic Plan review.	Core Principle B, C Chief Executive/Assistant Director - Planning and Economic Development	December 2025
Review the Business Strategy for the Council and the MTFs to reduce the budget gap.	Core Principle D Deputy Chief Executive/Assistant Director - Finance Services	November 2025
Participate in the process for Local Government Reorganisation as required by the Government.	Core Principle B, D Chief Executive	Until November 2025 final submission

Actions	Link to Core Principle/Officer Responsible	Date
Develop and implement a checklist for fraud risks to identify potential and early warning signs for fraud and plans to mitigate risks.	Core Principle F Deputy Chief Executive/assistant Director Finance Services	September 2025
Improve assurance arrangements for contract management.	Core Principle F Deputy Chief Executive/Assistant Director - Finance Services	March 2026
Ensure there are transparent decision logs for all delegated decisions.	Core Principle G Monitoring Officer	March 2026



R Hyde
Chief Executive
Broxtowe Borough
Council



Councillor
M Radulovic MBE
Leader of the Council
Broxtowe Borough Council



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**Broxtowe
Borough
COUNCIL**

Report of the Chief Audit and Control Officer

Internal Audit Progress Report

1. Purpose of Report

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

2. Recommendation

The Committee is asked to NOTE the report.

3. Detail

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

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

Further progress reports will be submitted to each future meeting of this Committee. A final report detailing the overall performance of Internal Audit for 2024/25 will be presented to this Committee in July 2025.

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 Monitoring Officer / Head of Legal Services 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

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

No climate change implications have been identified in relation to this report.

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

Internal Audit Reports issued since October 2024

The following table summarises the audit assignments and similar work completed by Internal Audit between 1 October 2024 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)
Financial Appraisal – Prospective Tenant	09/10/24	Advisory Report Only		
Financial Appraisal – Construction	22/10/24	Advisory Report Only		
Financial Appraisal – Consultancy	23/10/24	Advisory Report Only		
Treasury Management	24/10/24	Substantial	0	0
Financial Appraisal – Landscaping	14/11/24	Advisory Report Only		
Financial Appraisals – UKSPF Grants	25/11/24	Advisory Report Only		
Benefits	03/12/24	Substantial	0	2
Payroll	09/12/24	Substantial	0	1
Sanctuary Scheme	09/12/24	Substantial	0	0
Damp and Mould	27/01/25	Reasonable	1	1
Financial Appraisal – Construction	28/01/25	Advisory Report Only		
Sundry Debtors	31/01/25	Substantial	0	0
Financial Inclusion	24/02/25	Substantial	0	1
Allotments	05/03/25	Limited	2	1
NNDR (Business Rates)	05/03/25	Substantial	0	0
Financial Appraisal – Prospective Tenant	05/03/25	Advisory Report Only		
Financial Appraisal – Prospective Tenant	26/03/25	Advisory Report Only		
Creditors and Purchasing	03/04/25	Substantial	0	0
Stores	08/04/25	Limited	3	0
Waste Management (Recycling)	08/04/25	Substantial	0	1
Rents (Housing)	29/04/25	Substantial	0	1
Commercial Property Management	At the time of writing, it is anticipated that these audits will be completed (or substantially completed) by the date of this meeting. A verbal update on any significant matters arising will be provided by the Chief Audit and Control Officer at this meeting.			
Human Resources				
Leisure Management System				

Remaining Internal Audit Plan 2024/25

Audit Title	Progress
Housing Repairs (Reactive)	In progress
System User Access	In progress
Homelessness	In progress

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
- 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. **Allotments** **Assurance Opinion – Limited**

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

- Appropriate policy and procedure documentation may not be in place.
- The allocation of allotments and commencement of an allotment agreement may not be performed in an appropriate manner.
- Income relating to allotment agreements may not be billed in an appropriate and timely manner.
- The recovery (and where required write-off) of billed amounts may not be performed in an appropriate manner.
- Income reconciliations may not be completed in an accurate and timely manner.

Two high priority recommendations were made, as follows:

Record Keeping and Document Management

A primary reason for Internal Audit being only to offer limited assurance with regard to the mitigation of the identified specific key risks relating to Allotments is the overall lack of structure in the record keeping and document management in this area and consequent lack of an audit trail.

The lack of a structured and standardised approach to record keeping and document management impairs both the ability of employees responsible for Allotments to offer an effective service and the reliability of monitoring information for management review.

It is therefore recommended that a structured database (which could take the form of a relatively simple spreadsheet) be created which cross-references to a clear standardised filing system in order to provide both management and employees responsible for Allotments with the means to effectively control the service.

Once this is in place, a review of the documentation currently held for each Allotment site and individual holders should be completed in order to ensure that all requirements (such as proof of concessionary entitlement, signed tenancy agreement and similar) are met.

Agreed Action (High Priority)

A structured spreadsheet-based database for the Allotment service will be created which cross-references to a clear standardised filing system.

Agreed Action (High Priority)

Upon the establishment of a new database and records system for the Allotment service, a review of the documentation currently held for each Allotment site and individual holders will be completed in order to ensure that all requirements are met.

Managers Responsible

Head of Environment

Conservation and Green Spaces Development Manager

Target Date: 30 June 2025

One further recommendation ('best practice') relating to the retention of paper documentation was also proposed and agreed with management.

2. NNDR (Business Rates) 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:

- NNDR may not be correctly calculated and billed.
- Billed amounts may not be efficiently collected and/or accounted for correctly.
- Refunds and write-offs may not be valid and/or may not be authorised.
- Arrangements for detecting and managing fraud may not be robust.

Internal Audit was pleased to report that no significant issues were identified in the course of this review, with no formal recommendations being deemed necessary.

3. 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.

4. Creditors and Purchasing 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:

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

Internal Audit was pleased to report that no significant issues were identified in the course of this review, with no formal recommendations being deemed necessary.

5. Stores**Assurance Opinion – Limited**

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

- Appropriate and up-to-date policy and procedure documentation may not be in place.
- Initial procurement, reordering and write-off of stores items may not be performed in an appropriate manner.
- Stores items may not be issued to operatives in an appropriate manner.
- Appropriate arrangements may not be in place for stores and system security (such as stocktaking and related processes).

Three high priority recommendations were made, as follows:

Policy and Procedure Documents

Policy and procedure documents are an important foundation for activity within a service area, establishing an operational framework, providing guidance and setting standards.

It was identified that there are no such policy or procedural documents currently in place for the Stores.

Agreed Action (High Priority)

Appropriate and up-to-date policy and procedural documents for the Stores will be produced at the earliest opportunity.

Managers Responsible

Assistant Director (Environment)
Transport and Stores Manager

Target Date: 31 July 2025

Requisitions

The process for issuing items to operatives was reviewed to confirm whether items issued had been appropriately requisitioned and authorised. Current practice indicates that manual requisition books are in use, with individual requisitions being brought to the Chief Storekeeper as items are required.

Audit testing identified that the authorised signatories list held in the stores section was not up to date. Further, it was also noted that some requisitions are often self-authorized by the operative requisitioning the items rather than an appropriate team leader/ supervisor.

The lack of appropriate process for the distribution of stores items could lead to stores items not being used as intended.

Agreed Action (High Priority)

The process for issuing stores items will be reviewed to ensure appropriate controls are in place. The review will give due consideration to the necessary levels and documentation of the authorisation of requisitions.

Managers Responsible

Assistant Director (Environment)
Transport and Stores Manager

Target Date: 31 July 2025

Stocktaking

As part of maintaining good controls over the security and record keeping of any warehousing operation, regular periodic (typically annual) stocktakes should be completed by officers independent to the day-to-day running of such a facility, with all variances investigated and posted to the system as soon as practicable afterwards.

During audit testing it was identified that:

- The last full stocktake was completed in 2018 by employees working in the Stores.
- 79% of the line items reviewed as part of a sample test by Internal Audit demonstrated a discrepancy between items noted on the system and those counted 'on the floor'.

Agreed Action (High Priority)

A full stocktake will be performed at the earliest opportunity with due consideration to segregation of duties and independence. Following the stocktake, all adjustments will be posted to the stock system and a regular programme of scheduled stocktakes implemented.

Managers Responsible

Assistant Director (Environment)
Transport and Stores Manager

Target Date: 30 April 2025

6. Waste Management (Recycling) 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:

- Income collection, recording and monitoring processes (including recycling credits and glass-related income) may not be appropriate.
- Performance in relation to recycling targets may not be appropriately monitored and reported.
- Initiatives to challenge contaminated recycling and related issues may not be in place.
- Collection routes may not operate at an optimal level.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. One recommendation ('best practice') relating to the regular completion of income reconciliations was proposed and agreed with management.

7. Rents (Housing) 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:

- Rents may not be correctly calculated and billed.
- Billed amounts may not be efficiently collected and accounted for correctly.
- Refunds and write-offs may not be valid and/or authorised.
- Rent Recovery procedures may not be appropriate and/or may not be consistently applied.
- Regular performance reporting may not be occurring.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. One recommendation ('best practice') relating to the charging of VAT on garage rents was proposed and agreed with management.

Current Audit Performance

As at the date of this report, the Internal Audit Plan for 2024/25 is substantially complete with (as indicated above) three audits currently still in progress, expected to be completed by June 2025. Work has commenced on the Internal Audit Plan for 2025/26 with six audits already in progress. A full update on the new 2025/26 plan will be presented in the next regular update to this committee.

A final report on the performance of the Internal Audit Service for 2024/25 will be presented to this Committee in July 2025.

Appendix 2

Internal Audit Follow-Up

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

Audit Title	Report Issued	Original Assurance Opinion	Agreed Actions	Progress
Housing Delivery Plan	28/08/24	Reasonable	2	1 Outstanding
Benefits	03/12/24	Substantial	2	Complete
Payroll	09/12/24	Substantial	1	Complete

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

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

Outstanding Actions

1. Housing Delivery Plan	August 2024, Reasonable, Actions – 2
<p>1.1 Policy Refresh and Update</p> <p><u>Agreed Action (Medium Priority)</u></p> <p>A refreshed and updated Housing Delivery Plan will be developed and presented to Members for review and approval, with some specific focus on the development of policy / procedural provision for areas not currently specifically addressed.</p> <p><u>Managers Responsible</u> Head of Asset Management and Development Interim Housing Delivery Manager</p> <p style="text-align: right;">Target Date: 31 December 2024</p>	
<p><u>Update from the Change Manager</u></p> <p>Colleagues within Asset Management and Development are currently refreshing the Asset Management Strategy and Housing Delivery Plan. The documents will outline how we will invest wisely, build intelligently and spot opportunities to meet our housing needs going forward. It is intended that the Strategy and the Plan will be dispatched on the 25 June ready for review at Policy Overview Working Group on the 3 July.</p> <p>Revised Target Date: 30 September 2025</p>	

Report of the Deputy Chief Executive

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.

21 July 2025	<ul style="list-style-type: none"> • Audit of Accounts 2024/25 and Associated Matters • Statement of Accounts 2024/25– Going Concern • Internal Audit Progress Report • Internal Audit Review 2024/25 • Review of Strategic Risk Register • Annual Complaints Report
22 September 2025	<ul style="list-style-type: none"> • Internal Audit Progress Report • Annual Counter Fraud Report 2024/25 • Governance Dashboard – Major Projects • Review of Strategic Risk Register • Complaints report Quarter 1
17 November 2025	<ul style="list-style-type: none"> • Internal Audit Progress Report • Review of Strategic Risk Register • Complaints report • Complaints report Quarter 2 • Annual Audit Letter – External Auditors Report on the Statement of Account 2024/25.

4. Financial Implications

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

There are no financial implications as a result of this report.

5. Legal Implications

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

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.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable.

7. Union Comments

The Union comments were as follows:

Not applicable.

8. Climate Change Implications

The climate change implications are contained within the report.

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 this is not a change to policy and no Equality Impact Assessment is required.

11. Background Papers

Nil.