

Agenda

Audit Committee

Date: **Tuesday 10 December 2024**

Time: **6.00 pm**

Place: **Council Chamber**

For any further information please contact:

Democratic Services

committees@gedling.gov.uk

0115 901 3844

Audit Committee

Membership

Chair Councillor Kyle Robinson-Payne

Vice-Chair Councillor Sandra Barnes

Councillor Stuart Bestwick
Councillor Helen Greensmith
Councillor Paul Hughes
Councillor Alison Hunt
Councillor Ruth Strong
Jonathan Causton

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Responsibility of Audit Committee:

Statement of purpose

- a) The Audit Committee is a key component of Gedling Borough Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- b) The purpose of the Audit Committee is to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of Gedling Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, risk and control

- c) To review the Council's corporate governance arrangements including the Local Code of Corporate Governance.
- d) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

- e) To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- f) To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- g) To consider and monitor the effective development and operation of risk management in the council.
- h) To monitor progress in addressing risk-related issues reported to the committee.
- i) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- j) To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- k) To consider and monitor the counter-fraud strategy, actions and resources.

Internal audit

- l) To approve the internal audit charter defining the role and scope of internal audit.
- m) To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- n) To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.
- o) To consider reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of external providers of internal audit services.
- p) To consider the Head of Internal Audit's annual report confirming compliance with auditing standards and the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control - these will assist the committee in reviewing the Annual Governance Statement.
- q) To consider summaries of specific internal audit reports as requested.
- r) To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- s) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
- t) To support effective communication with the Head of Internal Audit.

External audit

- u) To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- v) To consider specific reports as agreed with the external auditor.
- w) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- x) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial reporting

- y) To consider and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- z) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

aa) To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

AGENDA

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| 1 | Apologies for absence | |
| 2 | To approve, as a correct record, the minutes of the meeting held on 17 September 2024 | 7 - 9 |
| 3 | Declaration of interests | |
| 4 | Audit completion report 2021/22
Report of the external auditors, Mazars | To Follow |
| 5 | Combined audit strategy memorandum and completion report 2022/23
Report of the external auditors, Mazars | To Follow |
| 6 | Value for money and progress report
Report of the external auditors, Mazars | To Follow |
| 7 | Annual governance statement 2023/24
Report of the Chief Finance & S151 Officer | 11 - 27 |
| 8 | Internal audit follow up report
Report of the Internal Audit Partner at BDO | 29 - 40 |
| 9 | Internal audit progress report
Report of the Internal Audit Partner at BDO | 41 - 56 |
| 10 | Corporate risk management scorecard Q2 2024-25
Report of the Chief Finance & S151 Officer | 57 - 77 |
| 11 | Any other item which the Chair considers urgent | |

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MINUTES AUDIT COMMITTEE

Tuesday 17 September 2024

Councillor Kyle Robinson-Payne (Chair)

Councillor Sandra Barnes	Councillor Alison Hunt
Councillor Jim Creamer	Councillor Ruth Strong
Councillor Helen Greensmith	Jonathan Causton
Councillor Paul Hughes	

Absent: None.

Officers in Attendance: T Adams, B Hopewell and F Whyley

12 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS.

None.

13 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 23 JULY 2024.

RESOLVED:

That the minutes of the above meeting, having been circulated, be approved as a correct record.

14 DECLARATION OF INTERESTS.

None.

15 REVISED ANNUAL GOVERNANCE STATEMENT 2021/22.

The Chief Finance Officer and Section 151 Officer introduced a report, which had been circulated in advance of the meeting, informing Members of the proposed Annual Governance Statement 2021/2022.

RESOLVED:

To note the draft Annual Governance Statement 2021/2022.

16 DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23.

The Chief Financial Officer introduced a report, which had been circulated in advance of the meeting, informing Members of the proposed Annual Governance Statement 2022/23.

RESOLVED:

To note the draft Annual Governance Statement 2022/23.

17 RISK MANAGEMENT QUARTER 1 UPDATE.

The Chief Finance and Section 151 Officer introduced a report, which had been circulated in advance of the meeting, updating members of the Audit Committee on the current position of risk management reporting.

RESOLVED:

To note the current position with risk management reporting and associated actions.

18 INTERNAL AUDIT PROGRESS REPORT.

The Internal Audit Partner (BDO) introduced a report, which had been circulated in advance of the meeting, informing Members in summary of the outcome of internal audit activity completed by the BDO Internal Audit Team for the period July to September 2024.

RESOLVED to:

Note the progress of the delivery against the 2024/25 Internal Audit Plan, including the Executive Summary for the following audit reports:

- 1) Housing Benefits and Environment; and
- 2) Carbon Management Strategy.

19 INTERNAL AUDIT FOLLOW UP REPORT.

The Internal Audit Partner (BDO) introduced a report, which had been circulated in advance of the meeting, informing Members in summary of the progress of implementation of recommendations from Internal Audit review raised and previously reported to the Audit Committee. This included some recommendations raised by the Council's previous Internal Auditors.

RESOLVED:

To note the implementation of Internal Audit recommendations and the revised due date for incomplete recommendations.

20 ANY OTHER ITEM WHICH THE CHAIR CONSIDERS URGENT.

None.

The meeting finished at 7.36 pm

Signed by Chair:
Date:

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Report to Audit Committee

Subject: Draft Annual Governance Statement 2023/24

Date: 10 December 2024

Author: Chief Financial Officer

1 Purpose of Report

To inform Members of the proposed Annual Governance Statement 2023/24.

Recommendation:

Note the draft Annual Governance Statement 2023/24 and provide any comments for inclusion in the final version when presented to the Audit Committee with the Annual Statement of Accounts 2023/24 later in the financial year.

2 Background

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and that it is used economically, efficiently and effectively. In accordance with the Accounts and Audit Regulations the Council conducts an annual review of the effectiveness of the system of internal controls and prepares an Annual Governance Statement (AGS).

The Annual Governance Statement for 2023/24 has not previously been reported to the Audit Committee due to the identification of a significant fraud that affected the external audit of the financial years 2021/22 and 2022/23.

3 Proposal

Following the review of the system of internal control it is proposed that the AGS for 2023/24, attached at Appendix 1, is noted and that comments be provided for inclusion in the final version of the AGS to be presented to the Audit Committee for approval with the Annual Statement of Accounts 2023/24 later in the financial year.

4 Financial Implications

There are no financial implications directly arising from this report.

5 Legal Implications

The Annual Governance Statement is a statutory requirement for authorities under the Accounts and Audit Regulations 2015, which requires authorities each financial year to conduct a review of the effectiveness of their systems of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts.

6 Equalities Implications

There are no equalities implications directly arising from this report.

7 Carbon Reduction/Environmental Sustainability Implications

There are no carbon reduction/environmental sustainability implications arising from this report.

8 Appendices

Appendix 1 – Annual Governance Statement 2023/24.

Statutory officer Approval:

Prepared by Chief Financial Officer

Approved by: Monitoring Officer

Date: 02/12/2024

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ANNUAL GOVERNANCE STATEMENT

1. **Scope of Responsibility**

- 1.1 Gedling Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Gedling Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Gedling Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 Gedling Borough Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016)*. A copy of the authority's local code is on our website at <https://www.gedling.gov.uk/council/aboutus/financeandaccounts/> or can be obtained from the Chief Finance Officer, Gedling Borough Council, Arnot Hill Park, Arnold, Nottingham. NG5 6LU. This statement explains how Gedling Borough Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an annual governance statement.

2. **The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives led to the delivery of appropriate cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Gedling Borough Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

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- 2.3 The governance framework has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the statement of accounts.

3. **The Governance Framework**

- 3.1 Gedling Borough Council's Local Code of Corporate Governance recognises that effective governance is achieved through the 7 core principles as identified in the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government 2016 Edition*. These are:

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

(B) Ensuring openness and comprehensive stakeholder engagement.

Principles A and B permeate the implementation of principles C-G.

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

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

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

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

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

- 3.2 Good governance is a dynamic process and the Council is committed to improving governance on a continuing basis through a process of evaluation and review. The Audit Committee on 14 March 2023 received the report on Gedling's "*Local Code of Corporate Governance 2023/24*" which set out in detail how the Council demonstrates that its governance structures comply with these seven core principles. An end of year review considered by Audit Committee on the 19 March 2024 has confirmed that these were in place for the whole of the financial year.

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4. Governance Arrangements

- 4.1 There is a governance assurance framework through which the Council satisfies itself as to the effectiveness of its system of internal control. This takes as its starting point the Council's principal statutory objectives and our organisational objectives as set out in the Council's Corporate Plan. From this are identified the key risks to the achievement of the Council's objectives as set out within the Council's corporate, directorate and service risk registers.
- 4.2 The framework identifies the main sources of assurance on the controls in place to manage those risks, and it is the evaluation of those assurances that is the basis of this Annual Governance Statement.
- 4.3 The following documents establish these policies, aims and objectives at a strategic level:
- The Corporate Plan (The Gedling Plan);
 - The Community Safety Partnership Strategy;
 - The Local Plan;
 - The Annual Budget and Performance Management Framework;
 - The Financial Strategy;
 - The Treasury Management Strategy;
 - The Internal Audit Strategy;
 - The Risk Management Strategy;
 - The Equality and Diversity Policy;
 - The Counter Fraud and Corruption Strategy.
- 4.4 These high level plans are further supported by Service Plans. The Constitution provides clear guidance on how the Council operates, how decisions are made and the procedures and protocols to ensure that decisions and activities are efficient, transparent and accountable to local citizens. Some of these processes are required by law, whilst others are determined by the Council for itself. All of these documents are within the Council's Publication Scheme and available on the Council's website at www.gedling.gov.uk or can be inspected at the Council's Civic Centre, Arnot Hill Park, Arnold, Nottinghamshire.
- 4.5 Gedling's corporate governance framework defines the roles and responsibilities of the full Council, Cabinet, Scrutiny and officer functions as detailed in the Constitution, and demonstrates how the Council meets defined standards of governance in relation to its policies, aims and objectives.
- 4.6 The Council acknowledges its responsibility to ensure that it operates an effective system of internal control to maintain and operate controls over its

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resources. This system of internal control can only provide reasonable (not absolute) assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are prevented or would be detected within a reasonable period.

4.7 The internal control system includes:

- Annual review of the effectiveness of the Council's Corporate Governance Framework, including signed Assurance Statements from Directors and Heads of Service;
- An established Counter Fraud and Corruption Strategy, including whistleblowing procedures, communicated to Members, officers and the public, and are available on the Council's website;
- An established Audit Committee that undertakes the core functions as identified in CIPFA guidance;
- The Terms of Reference for the Audit Committee which include specific responsibility for reviewing risk management procedures, including the reporting arrangements on strategic risks via a corporate risk scorecard;
- A Risk Management Strategy that is led by Senior Management for the identification and evaluation of strategic and operational risks, and integrated with the work of Internal Audit to provide a holistic source of assurance aligned to corporate objectives;
- A comprehensive risk management process that includes the identification of both strategic and operational risks which are held and maintained on corporate and directorate Risk Registers, and subject to regular review;
- Internal audit reviews are carried out using a risk-based audit approach with the emphasis on key financial systems. This work is undertaken in co-operation with the Council's External Auditor ensuring maximum use of Audit resources, and ensures that professional standards are maintained;
- Performance Plan monitoring, review and reporting;
- Facilitation of policy and decision making through the Constitution, Codes of Conduct and the decision-making process, Forward Plan and role of the Scrutiny Committee;

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- The statutory roles of the Council's Head of Paid Service, Monitoring Officer and Chief Financial Officer place a duty on these post-holders to provide robust assurance on governance and ensure compliance with established policies, procedures, laws and regulations;
- Compliance with established policies, procedures, laws and regulations are monitored through the work of the Finance and Legal staff that are adequately trained and experienced;
- Budgetary and performance management reporting to management, Cabinet and Council;
- Formal project management guidelines;
- Business continuity planning processes;
- Adherence to good employment practices;
- Governance training has been provided to all key officers and Members, including induction training, and arrangements are in place for the ongoing continuation of that training.

5. Financial Management

- 5.1 Ensuring that an effective system of internal financial control is maintained and operated is the responsibility of the Chief Financial Officer.
- 5.2 Internal financial control is based on a framework of management information that includes the Financial Regulations, Contract and Procurement Rules and administration procedures, adequate separation of duties, management supervision, and a system of delegation and accountability.
- 5.3 The Council has produced comprehensive procedure notes/manuals for all key financial systems, and these are regularly reviewed. The controls created by management are evaluated to ensure:
- Council objectives are being achieved;
 - The economic and efficient use of resources;
 - Compliance with policies, procedures, laws, rules and regulations;
 - The safeguarding of Council assets;
 - The integrity and reliability of information and data.
- 5.4 CIPFA issued in 2016 a Statement on "*The Role of the Chief Financial Officer in Local Government*", and this covered five key areas. The Council can

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demonstrate how it conforms to these governance requirements as the Chief Financial Officer:

- is a member of the Senior Leadership Team and plays a key role in helping it to develop and implement strategy to resource and deliver the Council's strategic objectives sustainably and in the public interest;
- is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and there is alignment with the Council's overall financial strategy;
- leads the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;
- leads and directs the finance function, which is resourced to be fit for purpose;
- is professionally qualified and suitably experienced.

5.5 CIPFA issued in 2019 a Statement on the Role of the Head of Internal Audit, and this covered five key principles. The Council can demonstrate how it conforms to these governance requirements as the Head of Internal Audit:

- Objectively assesses the adequacy and effectiveness of governance and management of risks, giving an evidence based opinion on all aspects of governance, risk management and internal control;
- champions best practice in governance and comments on responses to emerging risks and proposed developments;
- is Gurpreet Dulay, a Partner of BDO UK, and he (or his BDO representatives) have regular and open engagement across Gedling Borough Council, particularly with the Leadership Team and with the Audit Committee;
- leads and directs an internal audit service that is resourced appropriately, sufficiently and effectively;
- is professionally qualified and suitably experienced.

6. Review of Effectiveness

6.1 Gedling Borough 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 the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

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6.2 The Council is committed to the maintenance of a system of internal control which:

- Demonstrates openness, accountability and integrity;
- Monitors and reviews compliance with established policies, procedures, laws and regulations and effectiveness against agreed standards and targets;
- Monitors and reviews the effectiveness of the operation of controls that have been put in place;
- Identifies, profiles, controls and monitors all significant strategic and operational risks;
- Ensures that the risk management and control process is monitored for compliance.

6.3 Assurance From Executive Managers

In preparing this statement each Head of Service and Director has signed an assurance checklist. The checklist requires assurance that services are operating in compliance with the Council's policies, procedures and practices and with the internal control and governance assurance framework. The checklist asked each Head of Service to draw attention to any matters in respect of which internal controls were not working well and required a positive assurance that apart from those areas which were identified for improvement that the controls within the service had been, and are, working well. Each Head of Service gave a positive assurance with no material risk issues raised. An emerging issue relating to a challenge received of possible non-compliance with legal responsibilities in the area of Public Protection income was noted and is under review and assessment.

6.4 Assurance from Internal and External Audit

Two of the key assurance statements the Council receives, and the external auditor's review of Value for Money arrangements and the annual report and opinion of the Head of Internal Audit:

External Auditor (Mazars) Value for Money arrangements:

The Code of Audit Practice issued by the National Audit Office requires External Audit to consider if the Council has proper arrangements for securing economy, efficiency and effectiveness in its use of resources, reporting by exception where they have identified significant weakness in those arrangements.

The external auditor is required to report under three specified criteria:

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- Financial Sustainability – How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance – How the Council ensures that it makes informed decisions and properly manages its risks;
- 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.

For the year ended 31 March 2024 The Head of Internal Audit (BDO) Annual Report and Annual Statement for 2023/24, concluded:

- *We have reached an overall opinion of Moderate assurance, which is a positive level of assurance and demonstrates the work undertaken by the Council to strengthen its internal control environment. This is an improved opinion to 2022-23 where Limited assurance was provided. Therefore, the Council are on a positive trajectory, with better engagement with internal audit across the organisation and a clear commitment to enhance controls.*
- *The improvement assurance we have provided is partly driven by the results of our follow up process, which was a significant factor in the prior year's Limited assurance opinion. There has been a strong push from the Senior Leadership Team (SLT) to improve the completion of recommendations, including some historic recommendations raised by the previous internal audit service which remain outstanding. To streamline the follow up process, we now have direct access to the Council's performance management system, Ideagen, which has supported ongoing updates on the completion of audit recommendations. We also presented our audit follow up process to the Corporate Management Team (CMT) in October 2023. These transformations in process have led to an improvement in the completion of recommendations, with 93% of 2021-22 recommendations and 67% of 2022-23 recommendations fully implemented. There is still scope to improve the recommendation completion further, however, the direction of travel has been positive.*
- *Across our audits completed in 2023-24, five have received Moderate assurance for either the control design, the control effectiveness or both. We have only provided Limited assurance for one report, which was Safeguarding where the Council have reduced levels of responsibility as a lower tier authority. There have also been several reviews where we have provided Substantial assurance over controls, notably Council Tax and NNDR where Substantial assurance was provided for the control design and assurance. There has been an increase in the number of*

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reviews that have been given Substantial assurance for the effectiveness of controls.

- *Despite vacancies within the SLT, there has been positive engagement with us throughout the year, with better direct communication channels with CMT. This has been enabled by us attending two CMT meetings throughout the year, to present our follow up process and our internal audit plan. Some delays remain in obtaining responses to follow up and audit documentation requests however, clear escalation channels are in place for us to raise these to SLT. We also recognise the resource challenges that the Council have faced over recent months due to other priorities, i.e. elections.*
- *The Council have prepared a new Risk Management Strategy and Framework which was presented to the Audit Committee in March 2024, then approved by Cabinet. While this is yet to be fully implemented due to other priorities, this supports an improved control environment for risk management.*
- *The Council had a follow up to the Local Government Association's peer review challenge in November 2023. This report highlighted its 'commitment to sector-led improvement to honesty, openness and self-awareness'. The report, presented to Cabinet on 28 March 2024 with the updated Action Plan, broadly identified positive progress in each of the nine recommendations raised in the corporate peer challenge review. Additionally, the Council won an award for the 'Best Collaborative Working Initiative' category at the Association for Public Service Excellence awards for 2023. This was for its collaborative environmental work as part of the Green Rewards campaign to incentivise residents taking actions to reduce the impact of climate change.*
- *There continue to be challenges over the Council the completion of its financial accounts. The 2021-22 and 2022-23 Statement of Accounts remain unaudited and, consequently, there has been a delay in publishing the 2023-24 accounts. While we appreciate that there are specific, historic challenges causing these delays and this is a wider challenge across the sector, this indicates a weakness in financial reporting.*

The Head of Internal Audit's Annual Report also details evidence of BDO's own compliance with the Public Sector Internal Audit Standards against which they are externally assessed every five years. This provides assurance that the internal audit provision is effective.

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- 6.5 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in section 7 below.

7. Significant Governance Issues

- 7.1 The control framework described above facilitates the identification of any areas of the Council's activities where there are significant weakness in the financial controls, governance arrangements of the management of risk.

As detailed in paragraph 6 above the annual review of the effectiveness has been completed and the Council was provided with Limited Assurance of its system of controls.

7.2 Significant Issues Arising 2023/24

7.2.1 Covid-19 Pandemic

The first impact of Covid-19 on our governance arrangements emerged in March 2020, had a significant impact throughout 2020/21 and continued into 2021/22 and 2022/23. Whilst the direct impact of Covid-19 is currently lessening in 2023/24 it continues to impact on service delivery.

The key governance issues arising from the pandemic have been effectively addressed as demonstrated through regular reports to Cabinet on the Council's response to the pandemic and the impact on the Gedling Plan.

7.2.2 Management Arrangements and Workforce Capacity

The Council approved a review of the senior management structure as part of its efficiency programme with a phased implementation timescale recognising the need to balance the requirements of delivering efficiencies with appropriate management capacity to ensure effective governance and the continued delivery of strategic objectives.

It was recognised at the outset that new ways of working will be required to ensure successful delivery and there is potential for some capacity reductions to arise during this period of change which may impact on governance compliance and service planning which will require appropriate prioritisation to ensure Gedling Plan delivery is aligned to resources and to maintain staff morale.

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As detailed in paragraph 7.2.1 and 7.2.3, the risk to workforce capacity is further exacerbated by the impact of Covid-19 pandemic and resulting backlogs and the emerging cost of living of living crisis.

The Head of Internal Audit's opinion detailed at paragraph 6.4 identifies a concern about the timeliness of management responses to draft reports and the implementation of agreed audit actions. Staff capacity issues are acknowledged as a potential reason for this arising which need to be addressed.

7.2.3 Economic Growth / Cost of Living Crisis

Both Brexit and Covid-19 had a major adverse impact on the economy and whilst effective vaccines improved the economic outlook, the related ongoing uncertainty continued to create major challenges for economic forecasting. Overall the balance of risk to economic growth in the UK is now to the downside, with significant risks related to: labour supply shortages proving more enduring and depressing economic activity; inflationary pressures not being effectively controlled by monetary policy interventions; UK/EU trade agreements being effective.

Key potential risk issues will be monitored via the established Risk Management process and include:

- a direct impact on service delivery and workforce capacity arising from increased service demand pressures and new initiatives to support vulnerable households.
- Interrupted supply chains directly affecting service delivery;
- Budget pressures due to rising inflation for example pay pressures, fuel and utilities, reduced fees and charges income.

7.2.4 The CIPFA Financial Management Code

CIPFA introduced the Financial Management Code (FM Code) 2019, which sets out for the first time, the standards of financial management for local authorities. Adoption of the Code was required from 1 April 2021 and was included the Annual Governance Statement (AGS) Action Plan for 2021/22. A self-assessment providing assurance that the standards of the FM Code are being met was considered by Audit Committee in September 2021 and some improvement actions were noted.

The implementation of the majority being implemented in 2022/23 and outstanding actions implemented in 2023/24 as detailed in the paragraphs below, including for example, implementation of the Officer Declarations of Interest process.

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It should be noted that compliance with the FM Code is an ongoing requirement and new actions to both maintain and improve standards will be a normal feature of securing effective financial management and continuous improvement.

7.3 Action Plans

7.3.1 Review of Progress in 2023/24

The 2022/23 Annual Governance Statement (AGS) identified the following control or risk issues and some issues deferred from the previous year which whilst not significant were included, through its proactive and holistic approach to Governance. The progress is detailed below:

2023/24 AGS Actions:

- Sustainable Medium Term Financial Plan – *A mid-year review of the Medium Term Financial Plan will be presented to Cabinet to consider the emerging risk on increased service delivery costs and inflation. To consider the impact of rising prices, including pay pressures, fuel and utilities, the potential adverse supply impacts on service delivery, and increasing service demand pressures from vulnerable households*
- **Action: Chief Financial Officer/Senior Leadership Team – Ongoing**
- Workforce Capacity – *To monitor the emerging risk of restrictions on workforce capacity to the delivery of the Gedling Plan and to governance compliance. Prioritise Gedling Plan actions to ensure alignment with resources available and to maintain staff morale. Workforce capacity is being impacted by increased service demand and a shortage of professionals in the job market, with reliance on high cost Interim staffing arrangements, implementation of the management restructure to deliver required efficiency savings requiring new ways of working to ensure success resulting in capacity reductions during this period of change; and the cost of living crisis is still increasing demands to support for vulnerable households.*

Action: Senior Leadership Management Team - Ongoing

- Emergency Planning Arrangements and Business Continuity Plans – *A review of emergency planning arrangements to incorporate lessons learned from the Covid-19 pandemic response and an update of all Business Continuity Plans to ensure they are fit for purpose for all business continuity risks. To include emergency planning training, in*

ANNUAL STATEMENT OF ACCOUNTS 2023/24

ANNUAL GOVERNANCE STATEMENT

particular related to cyber risk. Revise strategic policy, corporate business continuity plan and update response structures.

Action: Interim Director of Corporate Resources – Business Continuity completion due December 2024, Emergency Planning March 2025.

- Audit Committees in Local Authorities – *To review and adopt: the principles of CIPFA’s Position Statement: Audit Committees in Local Authorities, which was published early in 2022/23 and aims to ensure that effective audit committee arrangements are in place in order to meet statutory responsibilities; the latest recommendations regarding independent audit committee members being proposed by Government following the Redmond Review and the introduction of the new Audit Reporting and Governance Authority. To determine and deliver appropriate training for committee members.*

Action: Chief Financial Officer – Ongoing

- Financial Management Code Compliance Update – *Ongoing monitoring of compliance with the Financial Management Code and implementation of planned actions.*

Action: Chief Financial Officer – Ongoing

- Internal Audit Actions Implementation – *to implement system improvements to support the monitoring and timely implementation of internal audit actions by management.*

Action: Head of Finance and ICT - Completed

- Risk Management Strategy – Building on audit recommendations review and compile a new risk management strategy, that ensures risk are considered, analysed, monitored and reported effectively.

Action: Chief Finance Officer & Interim Director of Corporate Resources – Completed.

7.3.2 Actions 2024/25

Based on our review of the Governance Framework, the following control and risk issues will be addressed in 2023/24. Whilst not all actions represent significant issues, all planned governance actions are included to provide a proactive and holistic approach to Governance:

ANNUAL STATEMENT OF ACCOUNTS 2023/24

ANNUAL GOVERNANCE STATEMENT

- Sustainable Medium Term Financial Plan – *A mid-year review of the Medium Term Financial Plan will be presented to Cabinet to consider the emerging risk on increased service delivery costs and inflation. To consider the impact of rising prices, including pay pressures, fuel and utilities, the potential adverse supply impacts on service delivery, and increasing service demand pressures from vulnerable households*

Action: Chief Financial Officer/Senior Leadership Team – Ongoing

- Workforce Capacity – *To monitor the emerging risk of restrictions on workforce capacity to the delivery of the Gedling Plan and to governance compliance. Prioritise Gedling Plan actions to ensure alignment with resources available and to maintain staff morale. Workforce capacity is being impacted by increased service demand and a shortage of professionals in the job market, with reliance on high cost Interim staffing arrangements, implementation of the management restructure to deliver required efficiency savings requiring new ways of working to ensure success resulting in capacity reductions during this period of change; and the cost of living crisis is still increasing demands to support for vulnerable households.*

Action: Senior Leadership Management Team – Ongoing

- Senior Management Restructure - *Significant turnover of senior Management has had an impact on service delivery and decision making in the authority resulting in an under resourced Senior Management Team. A full senior Management Restructure will be considered for implementation.*

Action Senior Leadership management team – Ongoing

- Emergency Planning Arrangements – *A review of emergency planning arrangements to incorporate lessons learned from the Covid-19 pandemic response. To include emergency planning training, in particular related to cyber risk.*

Action: Head of Governance and Customer Services – January 2025

- Audit Committees in Local Authorities – *To review and adopt: the principles of CIPFA’s Position Statement: Audit Committees in Local Authorities, which was published early in 2022/23 and aims to ensure*

ANNUAL STATEMENT OF ACCOUNTS 2023/24

ANNUAL GOVERNANCE STATEMENT

that effective audit committee arrangements are in place in order to meet statutory responsibilities; the latest recommendations regarding independent audit committee members being proposed by Government following the Redmond Review and the introduction of the new Audit Reporting and Governance Authority. To determine and deliver appropriate training for committee members.

Action: Chief Financial Officer – March 2025

- Financial Management Code Compliance Update – Ongoing monitoring of compliance with the Financial Management Code and implementation of planned actions.

Action: Chief Financial Officer – March 2025

- Anti- Fraud Strategy and Whistleblowing Policy – Review, revise and refresh the anti- fraud strategy and whistle blowing policy in line with audit recommendations.

Action: Chief Finance Officer – March 2025

- Procurement Strategy – The new Procurement Act comes into force in February 2025 and includes a number of new areas that need to be implemented. A revised procurement strategy will be required in order to ensure we are operating within the legislative framework.

Action: Interim Director of Resources & Chief Finance Officer – February 2025.

- 7.4 We propose over the coming year to take steps to address the above matters 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.

Mike Hill
Chief Executive

Date:

John Clarke
Council Leader

Date:

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Report to Audit Committee

Subject: Internal Audit Follow Up Report

Date: 10 December 2024

Author: Gurpreet Dulay – Internal Audit Partner (BDO)

Purpose

To summarise the progress of implementation of recommendations from Internal Audit reviews raised and previously reported to the Audit Committee. This includes some recommendations raised by the Council's previous Internal Auditors.

Recommendation(s):

THAT:

- 1) Members to note the implementation of Internal Audit recommendations and the revised due date for incomplete recommendations.**

1. Background

- 1.1 BDO follow up on all High and Medium recommendations raised in our Internal Audit reports to monitor the implementation of these. This report summarises the recommendations that have been completed or remain incomplete, with due dates revised for these recommendations which will continue to follow up with responsible officers.

2. Proposal

- 2.1 BDO has followed up on all outstanding recommendations due by 10 December 2024. The significant improvement in the engagement from management and the completion of recommendation since the deployment of Pentana in managing the recommendations has been sustained. While this has resulted in a positive direction of travel in the completion of recommendations, as previously reported, we do note that there were some recommendations where we did not receive a response.

3. Financial Implications

3.1 There are no financial implications arising directly from this report.

4. Legal Implications

4.1 The Accounts and Audit Regulations 2015 require authorities to undertake effective internal audit to evaluate the effectiveness of risk management, control and governance processes. This report provides the annual position of internal audit for 2023/24 and is provided to Committee in accordance with the Council's Constitution and delegations contained therein.

5. Equalities Implications

5.1 There are no equalities implications arising directly from this report.

6. Carbon Reduction/Environmental Sustainability Implications

6.1 There are no carbon reduction/environmental sustainability implications arising directly from this report.

7. Appendices

7.1 BDO Internal Audit Follow Up Report – December 2024.

INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

GEDLING BOROUGH COUNCIL

2024/2025

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SUMMARY

2022/23 AND PRIOR	Total Recs	H	M	To follow up	Complete		In progress		Overdue		Not Due	
					H	M	H	M	H	M	H	M
Asset Management (21/22)	1	-	1	-	-	-	-	-	-	1	-	-
Risk Maturity (21/22)	2	-	2	-	-	1	-	-	-	1	-	-
Procurement and Contract Management (21/22)	5	1	4	-	-	-	-	-	-	5	-	-
Main Financial Systems (MFS) (22/23)	3	-	3	3	-	-	-	-	-	-	-	3
Business Continuity and Emergency Planning (22/23)	3	1	2	2	-	-	-	-	-	-	-	2
Total	14	2	12	5	-	1	-	-	-	7	-	5

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2023/24	Total Recs	H	M	To follow up	Complete		In progress		Overdue		Not Due	
					H	M	H	M	H	M	H	M
Health and Safety	3	-	3	-	-	1	-	-	-	-	-	2
Project and Programme Management	2	-	2	-	-	-	-	-	-	-	-	1
Safeguarding	3	2	1	-	2	-	-	-	-	-	-	1
Community Health and Wellbeing	1	-	1	-	-	-	-	-	-	-	-	1
Generating External Income	4	-	4	-	-	-	-	-	-	-	-	4
Main Financial Systems (MFS)	4	-	4	-	-	2	-	-	-	-	-	1

Budget Setting and Efficiency Savings	2	-	2	-	-	1	-	-	-	-	-	1
Total	19	2	17	-	2	6	-	-	-	-	-	11

2024/25	Total Recs	H	M	To follow up	Complete		In progress		Overdue		Not Due	
					H	M	H	M	H	M	H	M
Environment: Carbon Management Strategy	2	-	2	2	-	-	-	-	-	-	-	2
Cemeteries and Pet Cremation Services	1	-	1	1	-	-	-	-	-	-	-	1
Total	3	-	2	2	-	-	-	-	-	-	-	3

SUMMARY

2022/23 AND PRIOR

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2022/23 and prior and prior.

- ▶ We provided a new target date of 31 December 2024 for the one overdue recommendation reported in our September 2024 follow up report. This was for a recommendation from 21/22 (Asset Management). We have not followed up on this yet as we have not reached the revised due date, so it is not detailed in this report, but we note that this remains overdue at present.
- ▶ There were no actions due for follow up in this quarter as the revised dates for the ongoing actions had not yet fallen due. There are seven overdue actions, the majority of these relate to Procurement and Contract Management, which is progressing significantly and is complex. We expect in the new year the majority of these recommendation can be fully implemented. The Council is currently appraising options for a new procurement provider, which should conclude early in the new year, at which point the majority of these recommendation can be fully implemented. We revised the target date to 31 March 2025 for the majority of these and therefore have not yet fallen due, however as we have revised the target multiple times for these reviews, we include them in the 'overdue' section for completeness.
- ▶ Positively, one risk maturity recommendation has now been completed ahead of the revised target date.

2023/24

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2024/2025.

- ▶ Of the 17 recommendations made none were due for follow up in the quarter, and these will be reported on at March 2025 Audit Committee.

2024/25

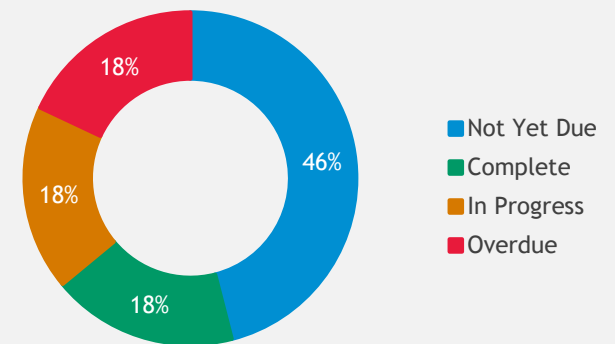
No recommendations are yet due from our 2024/2025 reports.

Overall, the cumulative position to date is that 36% of recommendations are complete or in progress and 18% are overdue. However, as raised above, the overdue recommendations largely relate to procurement and contract management, which are complex and will be resolved in early 2025. 46% of recommendations were not due for follow-up, therefore the next follow up report in March 2025 will provide a clearer indication of the Council's overall position.


REQUIRED AUDIT COMMITTEE ACTION:

We ask the Audit Committee to note the progress against the recommendations.



2024/2025 Cumulative implementation on report recommendations.







RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
21/22 Risk Maturity	<p>Provide risk management training to all staff across the Council on a periodic basis as part of mandatory training cycles. The level of training should be proportional to the level of responsibility for risk management the officer/member holds.</p> <p>Heads of service and managers should be provided with comprehensive training to enable them to identify and adequately document a risk, identify appropriate mitigating controls and assurances and identify SMART actions to mitigate the risks.</p> <p>Officers below manager level should be provided with training to give them a sufficient understanding and appreciation of the importance of risk management and how it impacts their role.</p> <p>a) As a minimum, it should be every officer's responsibility to be aware of what risk is, to be able to identify factors that could indicate an increased level of risk that may need to be escalated to their manager and to report on this when it is identified.</p>	<p>Medium</p> 	Tina Adams, Chief Finance & S151 Officer	<p>30/09/24</p> <p>31/10/24</p>	<p><u>Management Comments:</u></p> <p>A risk management workshop took place on the 28 November October and includes all Assistant Directors and other managers who have risks assigned to them. This will capture all existing staff that need to be trained. This was the key element that required completion in our opinion, and information can be cascaded to more junior staff.</p> <p><u>Internal Audit Comments:</u></p> <p>We are satisfied with the progress made and deem this complete.</p>

RECOMMENDATIONS: OVERDUE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
21/22 Asset Management	<p>a) A series of KPIs) should be agreed by the Property Services team and reported in a formal report each month to the Property Services Manager, for example:</p> <ul style="list-style-type: none"> · % rental income from Council properties received within 30 days · Value of outstanding rental income · % repairs completed within a specified number of days from the original request · % of projects where cost is within +/- 5% of the estimated outturn · % of projects falling within +/- 5% of the estimated timescale · Customer satisfaction levels are above XX% · % split between planned and responsive maintenance. <p>The Council should ensure that all Property Services Service Plan reports include a progress update against each KPI to ensure the SLT are aware of the progress being made against each of the measures. This should include some narrative in the report to explain the actions undertaken towards the completion of KPIs.</p>	<p>Medium</p> 	Emma Wimble, Property Services Manager	<p>31/12/2022 30/11/2023 30/06/2024 31/12/2024</p>	<p><u>Internal Audit Comments:</u> We did not receive management comment on this when requested at the last quarter reporting stage. While this revised date had not fallen due, we have kept this in for completeness.</p>
21/22 Risk Maturity	<p>Once the other recommendations from the report have been implemented and embedded to improve the foundations of the Council's risk management function, KPIs should be used to measure the effectiveness of risk management activity</p>	<p>Medium</p> 	Tina Adams, Chief Finance & S151 Officer	<p>31/12/2022 30/11/2023 30/06/2024 31/12/2024</p>	<p><u>Internal Audit Comments:</u> This has been delayed in line with the implementation of the new risk management process as we are awaiting templates from the supplier to enable the system to be populated.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
21/22 Procurement and Contract Management	<p>at the Council. This can include the proportion of risks operating at the target level and/or the overall effectiveness of risk management (current risk versus target risk etc.). See Appendix II for a list of possible KPIs.</p> <p>Prior to the SLA being reviewed, the Council should review the included KPIs and assess if they are SMART (specific, measurable, attainable, realistic, time-bound), or suggest appropriate alternatives</p> <p>b. For each KPI, an appropriate target should be set and agreed with Bolsover District Council</p> <p>c. The Procurement Strategy should detail how the performance of the Procurement Team will be measured and monitored</p> <p>d. Monthly or quarterly performance against the KPIs should be reported, and where performance is below-target, appropriate steps should be taken to rectify this</p> <p>e. A satisfaction survey should be sent to Officers involved in a procurement process, on a bi-annual basis to actively receive feedback.</p>	Medium 	Tina Adams, Chief Finance & S151 Officer	30/09/2023 30/11/2023 30/06/2024 31/03/2025	<u>Internal Audit Comments:</u> As discussed on page The Council is currently appraising options for a new procurement provider, which should conclude early in the new year, at which point the majority of these recommendation can be fully implemented. We revised the target date to 31 March 2025 for the majority of these and therefore have not yet fallen due, however as we have revised the target date multiple times for these reviews, we include them in the 'overdue' section for completeness.
21/22 Procurement and Contract Management	<p>The Council should run a supplier spend report for 1 April 2021 to 31 March 2022 and review the aggregate spend for all suppliers with expenditure greater than £10,000. This should be completed on an annual basis with appropriate action taken to ensure compliance with Council procurement rules</p> <p>b. All procurements over £10,000 should go through the Procurement team and officers should be reminded via email of this requirement</p> <p>c. The Contracts Register should be</p>	Medium 	Tina Adams, Chief Finance & S151 Officer	30/09/2023 30/11/2023 30/06/2024 31/03/2025	<u>Internal Audit Comments:</u> As above

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
21/22 Procurement and Contract Management	<p>updated quarterly and published on the Council's website.</p> <p>The Council should review and update both documents to ensure they are consistent with each other and relevant legislation</p> <p>b. The Council should complete, approve and finalise its Procurement Strategy as soon as possible</p> <p>c. The Council should ensure the Social Value Policy includes the above areas</p> <p>d. The responsibility of ensuring that committed social value benefits are delivered should be included within the contract management guidance per Finding 2</p> <p>e. The Procurement Strategy should be finalised, approved by Cabinet, published and communicated to officers to raise awareness.</p> <p>The following link could be used to support the development of a Council Social Value Policy.</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940827/Guide-to-using-the-Social-Value-Model-Edn-1.1-3-Dec-20.pdf</p>	Medium 	Tina Adams, Chief Finance & S151 Officer	30/09/2023 30/11/2023 30/06/2024 31/03/2025	<u>Internal Audit Comments:</u> As above
21/22 Procurement and Contract Management	<p>a. Contract Managers should ensure accurate contract renewal information is included in the Contracts Register, and proactively monitor their contracts with respect to renewal.</p> <p>b. The Procurement team should report on its monitoring of contract renewals via its workplan on a monthly basis.</p>	Medium 		30/09/2023 30/11/2023 30/06/2024 31/03/2025	<u>Internal Audit Comments:</u> As above

FOR MORE INFORMATION:

Gurpreet Dulay

Gurpreet.Dulay@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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Report to Audit Committee

Subject: Internal Audit Progress Report

Date: 10 December 2024

Author: Gurpreet Dulay – Internal Audit Partner (BDO)

Purpose

To summarise the outcome of internal audit activity completed by the BDO Internal Audit Team for the period October to December 2024.

Recommendation(s):

THAT:

- 1) Members to note the progress of the delivery against the 2024/25 Internal Audit Plan, including the Executive Summary for the following audit report: Cemeteries and Pet Cremation Services.**

1. Background

- 1.1 The Internal Audit Plan for 2024/25 was approved by the Audit Committee on 19 March 2024. The progress report provides a summary update of the work undertaken by BDO for 2024/25 and the schedule in which we anticipate presenting the final reports to the Audit Committee over the year.

2. Proposal

- 2.1 Since the last Audit Committee meeting, one report has been finalised Cemeteries and Pet Crematorium Services. We are in the reporting stage of the Equality/Equity, Diversity and Inclusion (EDI) review. Other audits are in the planning stage (Temporary Accommodation, Budget Management, Procurement and Contract Management and Fleet Management). We anticipate these will be presented at the next Audit Committee in March 2025.

3. Financial Implications

3.1 The Internal Audit Plan is delivered within the approved budgets.

4. Legal Implications

4.1 The Accounts and Audit Regulations 2015 require authorities to undertake effective internal audit to evaluate the effectiveness of risk management, control and governance processes. This report provides the annual position of internal audit for 2024/25 and is provided to Committee in accordance with the Council's Constitution and delegations contained therein.

5. Equalities Implications

5.1 There are no equalities implications arising directly from this report.

6. Carbon Reduction/Environmental Sustainability Implications

6.1 There are no carbon reduction/environmental sustainability implications arising directly from this report

7. Appendices

7.1 BDO Internal Audit Progress Report – December 2024

INTERNAL AUDIT PROGRESS REPORT

Gedling Borough Council

2024/2025

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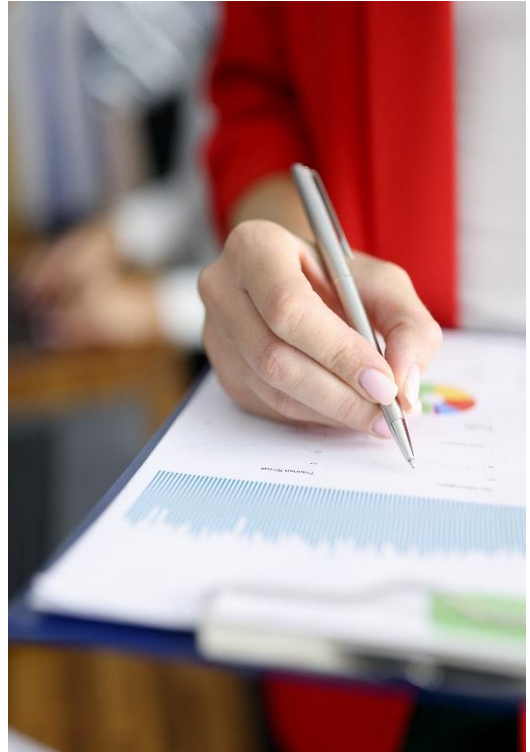
SUMMARY OF 2024/2025 WORK

INTERNAL AUDIT

This report is intended to inform the Audit Committee of progress made against the 2024/2025 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

INTERNAL AUDIT METHODOLOGY

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no'. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.



2024/2025 INTERNAL AUDIT PLAN

We are now making good progress in the delivery of the 2024/2025 audit plan.

We are pleased to present the following reports to this Audit Committee meeting:

- ▶ Cemeteries and Pet Cremation Services.

Planning is underway and the audits will soon begin in respect of the following audits:

- ▶ Temporary Accommodation
- ▶ Budget Management
- ▶ Equality, Diversity, and Inclusion.

We anticipate presenting these reports at future Audit Committee meetings.

CHANGES TO THE 2024/2025 INTERNAL AUDIT PLAN

We propose to move the IT Disaster Recovery Plan audit from this year's plan to 2025/26 and bring forward the Parks and Street Care (PASC) audit to this year's plan in its place. This is due to the significant transformation work underway at the Council currently which reduces both the usefulness of a review at this stage and also the team's capacity to engage with the audit. We seek Audit Committee approval to make the swap.

REVIEW OF 2024/2025 WORK

AUDIT	EXEC LEAD	AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Housing Benefits	Tina Adams, Chief Financial and S151 Officer	September 2024	✓	✓	✓	S	S
Carbon Management Strategy	Fran Whyley, Deputy CEO	September 2024	✓	✓	✓	S	M
Cemeteries and Pet Crematorium Services	Tina Adams, Chief Financial and S151 Officer	December 2024	✓	✓	✓	M	M
Equality/Equity, Diversity and Inclusion (EDI)	Fran Whyley, Deputy CEO	December 2024	✓	✓	✓	(issued in draft)	(issued in draft)
IT Disaster Recovery Plan Parks and Street Care (PASC)	Tina Adams, Chief Financial and S151 Officer	March 2025	✓				
Fleet Management	Tina Adams, Chief Financial and S151 Officer	March 2025	✓				
Temporary Accommodation	Tina Adams, Chief Financial and S151 Officer	March 2025	✓	✓			
Budget Management	Tina Adams, Chief Financial and S151 Officer	March 2025	✓				
Procurement and Contract Management	Fran Whyley, Deputy CEO	March 2025	✓				

CEMETERIES AND PET CREMATION SERVICES

CRR REFERENCE: 12. FAILURE TO REACT TO AN ENVIRONMENTAL INCIDENT

Design Opinion	S Substantial	Design Effectiveness	M Moderate
Recommendations	0	2	3

 **SCOPE**

BACKGROUND

Cemeteries

- ▶ Gedling Borough Council (the Council) provides funeral services, burial plots, interment of ashes and other memorials/monuments at its cemeteries. The fees and charges for the range of cemetery services that the Council provides is published on its website (see: <https://www.gedling.gov.uk/resident/funerals/fees/>).
- ▶ The Council manages and maintains three cemeteries and it provides burials at Calverton Cemetery. These are:
 - Carlton Cemetery
 - Gedling Cemetery
 - Redhill Cemetery.
- ▶ The cemeteries open at 9am each day and close at 4pm during the winter months and at dusk in the summer months.
- ▶ Income from the cemeteries has been budgeted at £503,600 for 2024/25 which is a small decrease of £12,100 from the 2023/24 Budget.

Pet Cremation Services

- ▶ Gedling Pet Cremation Services provide pet cremation services to pet owners. Owners can either have their pets cremated in a communal cremation or, for a higher price, an individual cremation where they can retain the remains in a scatter tube, urn or casket. The cost of the cremations differs based on the weight/size of the animal, the transportation costs and any extras that the customer purchases.
- ▶ In the 2024/25 Budget report to Cabinet in February 2024, it was reported that there was an expected rise in revenue income for Gedling Pet Cremation Services due to an increase in customers.
- ▶ The service generated £84,030.73 in income in 2023/24. Income has been increasing year on year.

PURPOSE

The purpose of the audit was to assess the income charging and collection arrangements from cemeteries and Gedling Pet Cremation Services. We also assessed the staffing and resource management for cemeteries and pet cremations to ensure that sufficient cover is provided during opening times to maximise income for the Council through the provision of services.

AREAS REVIEWED

During the audit we:

- ▶ Verified that fees and charges for both services were approved and were easily accessible to the public.
- ▶ Tested a sample of funeral services, burials, cremation plots and memorials between 1 April 2023 and 31 March 2024 to ascertain whether:

- The customer was charged accurately based on the fees and charges list on the Council’s website
- Payment was taken upfront, per Council policy.
- ▶ Similarly we tested a sample of pet cremations (individual and communal) to assess whether:
 - The customer was charged accurately based on the size and weight of the animal being cremated, in accordance with the fees and charges schedule
 - Payment was either taken upfront (communal cremations) or prior to the return of ashes (individual cremations).
- For pet cremations, we also verified whether:
 - The £15 charges for the animal collection and return of the ashes were applied and charged accurately
 - The £7 per mile charge for out of borough collections was applied and charged accurately.
- We interviewed staff and sought to obtain documentation to allow us to form a judgment on staffing and resource allocations across both cemeteries and pet cremation services.
- We obtained information regarding marketing of the pet cremation service, to ascertain whether the Council is promoting the service sufficiently to increase income from this area.
- ▶ We reviewed performance monitoring reports across both services to identify whether sufficient monitoring of income and collection is carried out and whether action is taken to escalate any underperformance.


AREAS OF STRENGTH

- We have identified the following areas of good practice:
- ▶ Up-to-date fees and charges for cemeteries are published on the Council website, and for pet cremations on the Gedling Pet Cremation website.
 - ▶ Our testing within the Cemeteries service found that from a sample of 15 order requests that the burial, cremation and/or memorial costs were accurately charged. Payment for these was also received either in cash or via cheque prior to the burial or cremation taking place.
 - ▶ Marketing activity for the pet cremation service has been successful in driving up demand, evidenced by the fact in consecutive quarters during 2023/24, over half the home page visits are generated from Google advertisements.
 - ▶ The number of pet cremations has increased every year as a combination of marketing and word of mouth referrals, from 180 orders in 2019/20 to 743 orders in 2023/24. Useful marketing management information is included in quarterly marketing reports. Customer feedback is extremely positive and the service has been rated 5* across 156 Google reviews.


AREAS OF CONCERN

Finding	Recommendation and Management Response
There is limited performance management reporting and scrutiny of the two services. There are no reconciliation reports in place between the orders completed and payments received, and there is no regular reporting to a relevant	1a. For both Cemeteries and Gedling Pet Cremation Services, reconciliations between the orders placed and carried out and the income received for them should be performed ideally quarterly but at a minimum twice a year, by the Business Development and Support

committee to ensure effective oversight of the services. Testing of 15 Pet Cremation Services works orders found that in nine cases, there were small discrepancies in values of the payments received by the Council compared to our recalculations using the Council's fees and charges values. In addition, collection fees and out of borough transport fees were not always applied (Finding 1 - Medium).

Manager - Environmental Services and the Finance Business Partner, to verify that income is being received in a timely manner. For both services, a report on income against target should be produced quarterly and taken to an appropriate Committee to ensure there is a scrutiny function over the performance of the services.

1b. Other management information should also be regularly reported on (for example, detail on how many contacts were made to the services and how many of these resulted in works orders; the type of service requested and whether the Council was able to provide the dates that the customer required). The reports should include staffing, customer feedback and marketing.

1c. The Council should review cemeteries usage over the past five years and forecast demand, per the Local Authorities Cemeteries Order. This should be reported on at least twice a year to the Overview and Scrutiny Committee or Cabinet.

1d. The Parks and Street Care Manager should investigate the cases detailed to ascertain whether it was human error, a system failing or other reasons for the inaccurate charges.

1e. The glitch in the inhouse system regarding the automatic update of prior year bookings with current year values should be remedied.

1f. The Business Development and Support Manager should perform sample quality checks on a monthly basis to assure itself that staff are applying the charges correctly, and any lessons learnt should be shared at team meetings.

Management Response:


1a. We will implement the reconciliations.

1b. Additional details will be captured by the Pet Cremations Administrator and reported in more regular meetings.

1c. Agreed.

1d. The Pet Cremation team has examined the specific cases and put in place steps to prevent these errors occurring again, with the exception of the rounding of 1p issue, which is just a system rounding issue and does not need to be changed.

		<p>1e. We have discussed this with the in-house system designer and this has been addressed and will not be an issue going forward.</p> <p>1f. Accepted, will implement.</p> <p>Target Date: 31 March 2025</p>
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CONCLUSION

- ▶ We have concluded Moderate assurance over both the design and implementation of controls with regard to the cemeteries service and the Gedling Pet Cremation Services.
- ▶ We have provided Moderate assurance over the control design despite raising only one medium finding, because it pertains to a lack of management information and regular reporting and oversight, which is a fundamental flaw in the control environment. Although some controls are in place across the two services, we found weaknesses in the inhouse system used for the Gedling Pet Cremation Services.
- ▶ The control effectiveness was also deemed Moderate because while in general the services are delivering services to citizens successfully, we found areas of non-compliance with current controls, particularly within Gedling Pet Cremation Services in applying the correct fees and charges. There is also scope for improvement with respect of ensuring that staffing levels are reviewed and sufficient.

Positively, we note the good performance of the Cemeteries service with respect to our audit testing, and the fact that the Pet Cremation Service is growing its revenue year on year and receives favourable survey feedback from customers.

SECTOR UPDATE

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to local authority providers that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior managers, Executive Directors and Members.

LGA RESPONSE TO NUFFIELD REPORT ON NICS INCREASE

Responding to a Nuffield Trust analysis, which shows that changes to employer National Insurance Contributions announced in the Budget look set to cost the adult social care sector more than £900 million next year, Cllr David Fothergill, Chair of the LGA's Community Wellbeing Board said:

"Councils are facing severe funding and demand pressures, meaning finances are under strain like never before. With a vast majority of councils now struggling to balance the books, the costs from National Living Wage and employer National Insurance increases announced in the Budget must be fully funded.

"At its best, adult social care supports adults of all ages to live the life they want to lead. But a range of serious concerns that councils have been raising for years remain and immediate adequate investment is needed in order to address unmet and under-met need and ensure timely access to social care for all who need it."

[LGA statement on Nuffield Trust report about cost to social care of employer NICs increase | Local Government Association](#)

FOR INFORMATION

For Members of the Audit Committee

DEVOLUTION AND REORGANISATION PLANS

Sector figures have urged the government to publish the devolution white paper as speculation mounts about widespread reorganisation being on the cards.

Budget documents published last month said that the upcoming white paper on English devolution will include "working with councils to move to simpler structures that make sense for their local areas, with efficiency savings from council reorganisation helping to meet the needs of local people".

Lord's minister for housing & local government Baroness Sharon Taylor told the LGC Summit on 14 November, "the white paper will be published, we hope, by the end of this month" however it is now anticipated to be December.

Yesterday evening the [Times](#) reported that ten areas would be in the first wave of reorganisation, including Kent, Essex, Hertfordshire, Surrey, Norfolk and Suffolk.

According to the Times, these regions would have their district councils replaced with larger unitaries with populations of at least 500,000 people, a figure County Councils Network chair Tim Oliver (Con) told its conference this month should be the required minimum.

Cllr Oliver said this figure should be confirmed as the "minimum population limit" to "ensure new unitary authorities are of the necessary scale" and devolution plans should "space whole-county geographies and support better public services deliver across the area".

[Call for clarity over devolution and reorganisation plans | Local Government Chronicle \(LGC\)](#)

FOR INFORMATION

For Members of the Audit Committee and Executive Management.

TRANSFORMING PUBLIC PROCUREMENT - INTRODUCING THE PROCURMENT ACT

One in every three pounds of public money, some £300bn a year, is spent on public procurement.

The reforms proposed within the Procurement Act are important because they will shake up our outdated procurement system, so that every pound goes further for our communities and public services. They will

place value for money, public benefit, transparency and integrity at the heart of our procurement system; they will modernise and unify our systems and processes; and they will get tough on the poor performers and fraudsters.

The Act will reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with our international obligations. It will introduce a new regime that is based on value for money, competition and objective criteria in decision-making. It will create a simpler and more flexible, commercial system that better meets our country's needs. And it will more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts. It will strengthen the approach to excluding suppliers where there is clear evidence of their involvement in Modern Slavery practices and running throughout each part of the Bill is the theme of transparency. We want to deliver world-leading standards of transparency in public procurement and this Act paves the way for that.

The Transforming Public Procurement programme aims to improve the way public procurement is regulated in order to:

- Create a simpler and more flexible, commercial system that better meets our country's needs while remaining compliant with our international obligations
- Open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts
- Embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

The Procurement Bill, which will reform the existing Procurement Rules, has now received Royal Assent. You can view the new Procurement Act on the [UK legislation website](#), and the official record of the Bill's progress through Parliament, with all supporting documents on the [Parliamentary website](#).

<https://www.gov.uk/guidance/the-official-transforming-public-procurement-knowledge-drops>

FOR INFORMATION

For Members of the Audit Committee and Executive Management.

THE NEW WORKER PROTECTION ACT & SEXUAL HARASSMENT IN THE WORKPLACE

We explore the introduction of the Worker Protection Act 2023; outlining what the Act is, the intended impact, implications for employers and reasonable steps to addressing the compliance requirements. We also explore how employers can go beyond compliance to create a psychologically safe and ethical working environment for their people.

The Worker Protection Act 2023 comes into effect in October 2024 and places a legal duty on UK employers to actively prevent and address sexual harassment in the workplace. The Act is an amendment of the 2010 Equality Act and holds employers accountable to "take reasonable steps to prevent sexual harassment of employees in the course of their employment".

Rather than redressing past incidents, the Act will introduce the requirement for employers to take reasonable steps to protect their employees from the occurrence of sexual harassment. This includes when employees are working outside of their normal workplace and at workplace social events which will be considered an extension of the workplace under the Act.





At this time, it isn't clear what these "reasonable steps" will look like. However, as the guidance will introduce a mandate and onus for organisations to define and embed ethical preventative measures into their workplaces to prevent sexual harassment, it will require the urgent proactive assessment of processes, policies and working practices for many UK employers against the new requirements.

[The New Worker Protection Act & sexual harassment in the workplace - BDO](#)

FOR INFORMATION





For Members of the Audit Committee and Executive Management.

KEY PERFORMANCE INDICATORS




QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	Audit Committee meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Partner or Audit Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards.	
Quality of Work	We have not yet received survey responses for 2024-25 audits. We request a survey response on issue of every final audit report. We received four survey responses for audits completed in 2023-24 with an average score of 4.75/5 for the overall audit experience. We also received an average score of 4.75/5 for the added value from our reports and the constructiveness of our recommendations. We continue to send out feedback surveys when issuing our final reports.	
DELIVERY	KPI	RAG RATING
Completion of audit plan	Half of the plan is now complete. We anticipate 7/9 of the 2024-25 audits to be presented to Audit Committee before December 2024, representing significant progress and likelihood of full completion of the plan by March 2025.	

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
High 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

FOR MORE INFORMATION:

Gurpreet Dulay

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The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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Report to Audit Committee

Subject: Corporate Risk Management Review Quarter 2 2024/25

Date: 10 December 2024

Author: Chief Finance and Section 151 Officer

1. Purpose of the report

To update members of the Audit Committee on the current level of assurance that can be provided against each corporate risk.

Recommendations:

That Members:

- Note the current risk level and actions identified within the Corporate Risk Register.

2. Background

The current Risk Management Strategy & Framework was approved and adopted by Cabinet on 28 March 2024. Following adoption of the new framework, a project has been underway to simplify the process of risk review and management by using the Council's performance management system, Ideagen to track risk.

A risk module was procured for the Ideagen system and the process of migrating departmental and corporate risks into that system has been ongoing through quarter 2 and into quarter 3.

All Assistant Directors and Senior Managers have now received training on the content of the new Risk Management Framework and have completed a review of departmental risks in the new Ideagen system. All risks have been rescored using the new scoring matrix in the framework (appendix 2) and all scores have been provided to show the gross risk (risk level at its highest level without controls), the residual risk (the current risk score with controls) and the risk appetite score of the Council, which is currently moderate, as approved within the framework.

The purpose of the framework is to define how risks are managed by the Council. It provides guidance on the processes, procedures, roles, and responsibilities for risk, and it sets out the context on how risks are to be managed. It defines the key role for the Audit Committee as providing independent assurance to the Council with regard to the effectiveness of the risk management framework and the associated control environment. This includes the monitoring of the framework and ensuring the implementation of all audit actions.

It should also be noted, that as part of the Council's transformation programme, a new Corporate Risk officer group is currently being established. This officer group is focused on identifying and reviewing risk across the organisation and will meet regularly to ensure effective monitoring of risks at an officer level.

3. Corporate Risk Register

The Corporate Risk Register is a key enabler of the Strategy and Framework and provides assurance on the key risks identified as corporate risks. The Corporate Risk register has changed in quarter 2 to reflect the new Corporate Risk register in the framework. The Corporate risk register now has 13 categories of risk. Whilst many reflect the old register there are some new risks including projects and a new additional risk in respect of fraud, bribery, and misconduct. Some of the corporate risk categories have been split out, for example there are now separate categories to reflect ICT risks and data/information management.

Existing risks identified within both the Council's corporate and departmental risk registers are subject to quarterly review by senior management and on an ongoing basis through the work of Internal Audit. At quarter 1, as the Council moved to a new system of reporting, there were no significant changes in risk level reported to the Committee. At quarter 2, as the Ideagen system starts to be embedded, the report will not track the trend on risks in the system as this is the first quarter where the new system and new corporate risks have been presented. Moving into quarter 3, the report will show trends in individual risk movement. That being said, again, there are no significant changes in risk level identified in quarter 2.

Some of the risks included within the new Corporate Risk Register have been set at a relatively high score (based on the old register) with the expectation that as mitigation measures are properly recorded or actions completed, then these risks should start to improve over the coming months. This is not to say that all risks will return to 'green', as mitigation measures can only go so far, and some risks may always be inherently 'red' or 'amber' as the score reflects the potential impact on the Council and the likelihood of that event occurring. The Council's risk appetite is moderate, ideally all risks should be yellow or below, it is however accepted that the Council may take a higher tolerance to risk in some areas versus the reward, this decision is taken on a case-by-case basis.

The Corporate Risk Register and supporting comments as at the end of September 2024 are appended to this report, and this includes a summary of all control gaps identified on the Council’s Corporate Risk Register and any actions added to reduce the risk level further.

Until the system is fully embedded and all reporting lines in the system updated, there are some gaps in the register. Under the projects category, as the Council looks to improve its project management processes and align risk scoring in project plans with the new scoring matrix, any significant project risks are being picked up under other categories. It is hoped that by the end of Q3, all risk categories will be included in the new system and reported within the correct risk headings.

4. Financial Implications

None arising directly from this report.

5. Legal Implications

None arising directly from this report, the report is to provide reporting, in line with the Council’s risk Management Framework which is a requirement of the Accounts and Audit Regulations 2015.

6. Equalities Implications

None arising directly from this report, although EIA of all risks should be considered as part of any actions identified and controls in place.

7. Carbon Reduction/Environmental Sustainability Implications

None arising directly from this report, although Carbon Management forms part of the Environment category on the Corporate Risk Register.

8. Appendices

Appendix 1 - Corporate Risk Register Monitoring – Quarter 2, period ending 30 September 2024

Appendix 2 - Risk Management Scoring Matrix

Appendix 3 – Risk Definitions

Statutory Officer Approval	
Approved by:	Chief Financial Officer
Date:	
Approved by:	Monitoring Officer
Date:	

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Corporate Risk Register

Report Type: Risks Report

Generated on: 29 November 2024



Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR1	Finance	12	4	9		Tina Adams	This refers to the ability of the Council to meet its financial commitments and/or the scale and pace of budget cuts. This relates to income and expenditure and includes internal budgetary pressures, savings/growth considerations, external economic changes etc.	<p>Quarterly budget monitoring process between Finance and managers and to Cabinet.</p> <p>Monitoring of Efficiencies.</p> <p>Setting a balanced budget on an annual basis.</p> <p>Business Partnering advice and support in all service areas on a risk-based approach.</p> <p>Income Monitoring across departments.</p> <p>Annual Financial Regulations Training.</p> <p>Stocktaking processes across applicable services.</p> <p>Annual Review of Council Tax Reduction scheme.</p> <p>Capacity of suitably qualified and experienced staff</p>	<p>Set budget for 2025/26 and the next medium- term plan (FEB 24).</p> <p>Agree a set of new efficiencies for delivery (FEB 24).</p> <p>Services areas to operate within current budget envelope.</p>	<p>Balanced Budget is predicated on significant efficiencies, some of which do not yet have developed plans to deliver.</p> <p>Uncertainly on Government funding under the new governments until the settlement on 19th December 2024.</p> <p>Overspends in the Environment Department whilst zero based staffing review is completed.</p> <p>Current Score – Serious Consequent and probable.</p>

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
								across financial services. Monitoring of Treasury Management Risks		

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR2	Capacity Service Delivery	9	4	6		Mike Hill	This is about ensuring that sufficient capacity is available to deliver services which meet statutory obligations, Council objectives etc and public expectation	Recruitment procedures in place Succession planning in service areas Performance Reviews Various methods in place to recruit staff Apprentices Training and other placements available Staff benefits Our Gedling Events	Succession planning audit to be completed critical staff identified New recruitment & retention audit Review recruitment policy/procedures Monitor impact of workforce capacity on Gedling Plan	Application rates are healthy again in Planning & Legal services. There are still some issues in Finance, as qualified staff with experience are difficult to recruit, with many professionals entering the interim market as a preference to permanent employment. There has also been successful recruitment to Senior Management restructure and project management roles. Current Score Probable Moderate Impact

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR3	Health & Safety At Work	12	3	9		Fran Whyley	This refers to Occupational Health & Safety	Safety Policies & procedures in place Appropriate Risk Assessments in place Emergency Evacuation procedures Identify Risks in equipment Corporate Health & safety Group meets regularly Audit programme produced and delivered each year Lone worker procedure	All managers to develop risk assessments on new system (JAN 25) Complete internal inspection of service areas and identify risks in relation to equipment/ safe systems at work (JAN 25)	Risk assessment training has been delivered. Managers have worked with H&S to make assessments specific to their areas of work. Further work is required ongoing for Transport and PASC. Some lower risk areas have further work on their assessments. Good progress is being made and this is a cyclical process. Waste Services have completed a review of all risk assessments and safe systems of work.

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR4	Environmental	12	4	9		Fran Whyley	This refers to the environmental impact on the public – it could be related to virus type illnesses or environmental incidents such as flooding which impact on health or related to events which have an impact on the natural environment such as pollution/contamination	Emergency Plan arrangements and training including IMT checklist and Resilience Direct Platform. On call - emergency planning officer role instructions. Incident management team structure and guidance. Emergency Planning periodic training Strategic Resilience Group. Service Level Agreement with Nottinghamshire County County (NCC) Local Resilience Forum (LRF) - Strategic Level Nottinghamshire, Resilience Working Business Continuity Plans . Carbon Management Strategy and Action Plan and annual reporting.	BIA review and rationalisation (due to restructures) will require a further review. Once all restructures have been completed. (JAN 25) Review Emergency Plan.(MAR 25) Review position with LRF arrangements (MAR 25)	No change to current risk level. BCPs reviewed and largely completed. The Emergency Plan is to be reviewed before March 2025. Additional resource may be needed to support this to ensure completion by year end. Current Score Serious Consequence and Probable

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR5	Contractual Partnerships	12	4	9		Tina Adams Fran Whyley	This refers to both the risks regarding partnership / contractual activities and the risks associated with the partnership / contract delivering services to the agreed cost and specification.	Contract Standing Orders and Financial Regulations. Financial checks conducted on suppliers prior to entering into contracts over £50K. Appropriate clauses included in contracts. Partnership Register and associated governance arrangements are reviewed every quarter. Procurement arrangement in place. Contracts Register developed.	Revise implement new procurement process. (MAR 25) Produce new procurement strategy aligning the new procurement act.(FEB 25) Continue to develop the contracts register (MAR 25) Deliver contract management training (DEC 24) Review Council's partnership arrangements (DEC 24)	Work is continuing to progress a new procurement process which is fit for purpose. Budget has been approved and recruitment is currently underway for a new Contracts and Procurement Manager. The Council is looking at Shared Service Providers, with an aim to have a new procurement arrangement in place by April 2025. Current Score Serious Consequence and Probable

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR6	Reputation	12	4	2		Mike Hill	This relates to public perception / expectation and the impact of media attention.	<ul style="list-style-type: none"> Communication and media relations policy and team. Emergency planning procedures Media protocol Social media guidance Information security policy Data breach management procures H&S policy Adequate Insurance Safeguarding Policy 	Assess the adequacy of DBS checks across the leisure & Housing teams. (JAN 25)	<p>Effective comms plans in quarter 2 has ensured that any risk on reputation has been mitigated following media coverage of court cases.</p> <p>Current Score Minor Impact and Possible</p>

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR7	Infrastructure Assets	16	4	12		Mike Hill	This looks at the loss, protection and damage of physical assets and takes into account the need to maintain, protect, insure and plan for unexpected loss	Condition surveys in place Compliance regime fire, asbestos, water testing)	Asset management strategy needed.(MAR 25) Procure and asset management system (DEC 25) Review temporary accommodation for suitability and establish maintenance programme.(MAR 25) Maintenance and compliance schedules to be combined across Leisure, properties and Housing. (JAN 25) Progress demolition of large garage to support depot improvements. (JAN 25)	Cyclical updates of property condition surveys are underway and are due to be completed in March 2025.Compliance management arrangements have been introduced across pavilions and community centres. Risk remains high due to potential impact on service delivery and income at Carlton Forum due to ongoing drainage issues. Current Score Serious Consequence and Very Likely

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR8	Legislative	12	4	6		Fran Whyley	This refers to changes to and breaches of current law leading to additional workloads, fines, intervention by regulatory bodies etc.	Training provided inhouse and externally from legal/finance/H and S and workforce teams. Membership to Working groups and Partnerships. Subscriptions to LGA and other like professional bodies.	Project Plan to be developed for waste changes (JAN 25) Changes to Trade Waste Regime to include food waste and recycling (MAR 25) Ensure readiness for Procurement Act implementation, adoption of new procurement rules (FEB 25) Review staffing needs to deliver on waste changes (JAN 25)	Quarter 2 has identified that there are some gaps in preparedness for changes to waste regulations. Appropriate actions have been identified to move this forward. Changes to implementation dates for the Procurement Act, has meant pushing back the new procurement rules from Q2-Q3. Current Score Serious Consequence and Possible

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR9	ICT Technology	12	4	6		Kate Lindley Fran Whyley	This relates not only to the impact of Internal technology failure but also changing technological demands and the ability to meet the pace and scale of change.	Information Security Policy. PSN annual compliance testing. Staff training. BTDA established to monitor system procurement. Secure contracts with 3 rd party suppliers for main telephony and broadband provision. AD appointed. Digital Data and Technology Strategy and roadmap approved.	Assess and prioritise demand on the service (DEC 24) Review cyber security risk register (JAN 25) Review staffing requirements within ICT including succession planning (FEB 25) Review ICT policies (MAR 25)	New AD of Digital appointed to support the ICT team and identify/review risk level. BTDA meetings continue to ensure appropriate procurement of ICT systems across the organisation. Tenders released for waste management system and CRM. Current Score Serious Consequence and Possible

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR10	Projects	12	4	6		Mike Avery	This relates to the effective management of projects to achieve delivery that is on time, to budget and that meet the needs of the organization.	Project management templates and guidance material. Additional resource deployed for major projects including transformation, waste system implementation. External project management utilised Ambition Arnold	Review of project management templates and documentation to incorporate risk framework. (FEB 25) Establishment of corporate reporting mechanism for major contracts through making meetings matter project (FEB 25) Fin regs training to support project budgets effectively managed. (MAR 25)	New Risk Current Score Serious Consequence and Possible

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR11	Fraud Bribery Misconduct	12	4	9		Tina Adams	Relates to improper actions committed against the Council either internally or by third parties. Including frauds, bribery, money laundering and misconduct e.g., theft, falsification of timesheets.	Counter Fraud & Corruption Strategy Whistleblowing Policy Fraud Action Plan Internal Audit Audit Committee External Audit Mandatory Staff Training Communication – Lessons Learnt Zero tolerance approach - share consequences Members Roles & Conduct Public Contracts National Fraud Initiative	Renew Anti-Fraud Strategy – (March 2025) Compile a Fraud Action Plan – (March 2025) Monitor take up of training – (Jan 2025) Fraud Communication on Staff Intranet – every 3 months Review, revise and publicise Fraud Response Plan – (March 2025) In Person training to be undertaken for staff who don't have access to a computer – (March 2025) Forensic review of other ICT systems including Civica – (March 2025) User Access review and centralisation (July 2025)	The outcome of the recent fraud and sentencing was communicated to all staff through internal comms with the message that Gedling takes a zero approach to fraud. Mandatory Training take up is currently at 75% (of staff who have computer access) this is being monitored and further action put in place for staff who don't have access to a computer. Further forensic analysis has on other systems including Civica will be scheduled for the new year. User access Current Score Serious Consequence and Probable

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR12	Service Standards Performance Management	9	4	4		Mike Hill	This relates to the setting of acceptable standards and levels of output for a service area and the processes put in place to ensure these are delivered and managed appropriately	Employee, manager and leader standards. PDRs annually. Service plans with KPIs and actions to monitor performance. Quarterly reporting to SLT, Cabinet and Scrutiny Committees. Customer promise and complaints processes with prescribed response times. Strategies for Digital, Climate, equality and diversity containing clear action plans and roadmaps.	Establish appropriate corporate groups to monitor performance (budget and performance) (FEB 25) New approach to service planning to be agreed and plans developed for 25/26 (MAR 25) Create effective KPIs for performance management in 24/25 (MAR 25) Create centralised training needs analysis and plan (APR 25)	New AD of Workforce appointed to lead on performance. Structure for new performance management meetings approved to be rolled out in Q4. Notification of departure of Director of Transformation and officer supporting performance posed some level of risk, however swift action was taken to seek suitable resource to ensure performance management was retained. Current Score Moderately Disruptive Impact and Possible

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Controls	Further Action	Q2 Review
CR13	Information Data	12	4	9		Kate Lindley Fran Whyley	Security – this relates to physical and IT security on site and in-transit or inappropriate disclosure of information.	Information Security Policy DPIA Information Asset registers GDPR training for all staff Data breach reporting process. Regular security messaging. Data Security Group. Annual SIRO report. Cyber security training available for all staff (mandatory). Audit of access to financial systems, audit of Information security and GDPR. Records retention and Disposal Policy. BTDA established to ensure data security in procurement of new systems.	Refresh GDPR training (MAR 25) Create Register of Processing Activity in line with audit recommendations (APR 25) Review of Identification and Verification processes across the Council, standard process to be agreed (JAN 25) Review Retention policies (MAR 25) Review DPIA processes and raise awareness (MAR 25)	Appointment of AD for Digital has provided additional resource to review Data security, work is ongoing to identify priorities, key risks and training needs. Creating specification for CRM has involved a review of data access and content on a number of systems. The transformation process is resulting in a number of process reviews which support more effective tracking of data and ensuring no unnecessary data is collected or held. Current Score Serious Consequence and Probable

APPENDIX 2 - RISK MANAGEMENT SCORING MATRIX AND RISK APPETITE

	Minor/Non-Disruptive Impact (1)	Moderately Disruptive Impact (2)	Serious Consequences (3)	Major Consequences (4)
Very Likely (4)	4 (Yellow)	8 (Orange)	12 (Red)	16 (Red)
Probable (3)	3 (Yellow)	6 (Orange)	9 (Orange)	12 (Red)
Possible (2)	2 (Green)	4 (Yellow)	6 (Orange)	8 (Orange)
Unlikely (1)	1 (Blue)	2 (Green)	3 (Yellow)	4 (Yellow)

Risk Levels	Colour
Negligible Risk	Blue
Low Risk	Green
Modest Risk	Yellow
Medium Risk	Orange
High Risk	Red

APPENDIX 3 – RISK DEFINITIONS

LIKELIHOOD

4	Very Likely >90%	<ul style="list-style-type: none"> • Event expected to occur. Has occurred and will continue to do so without action being taken. • Indication of imminent occurrence • There are external influences which are likely to make our controls ineffective
3	Probable 60-90%	<ul style="list-style-type: none"> • There is a moderate exposure to the risk. • Reasonable to expect event to occur within a year. • Has occurred in the past. • Is likely to occur within the Council's planning cycle. • There are external influences which may reduce effectiveness of controls
2	Possible 30-60%	<ul style="list-style-type: none"> • There is a low exposure to the risk. • Little likelihood of event occurring - 1 in 10 years • There is a potential for external influences which may reduce effectiveness of controls
1	Unlikely 0-30%	<ul style="list-style-type: none"> • Extremely remote • Not expected to occur but may do so in exceptional circumstances - 1 in 100 years. • There are few or no external influences which may reduce effectiveness of controls

IMPACT

Score	Description	Indicative Guidelines
4	Major Consequences	<p>The consequence is so bad that urgent action must be taken to improve the situation or prevent it worsening. External support from the Government or other agencies is likely to be needed:</p> <ul style="list-style-type: none"> • Catastrophic loss, delay, or interruption to services • Level of financial loss, additional costs, or loss of assets which the Council is unable to resource without additional Government/External support. • One off event which would de-stabilise the Council over several years. • The risk will cause the objective not to be reached, causing damage to the organisation's reputation. • Will attract medium to long-term attention of legislative or regulatory bodies. • Major complaints • Significant adverse media interest • Death or life-threatening injury

3	Serious Consequences	<p>The consequences are sufficiently serious to require attention by Cabinet and/or full Council:</p> <ul style="list-style-type: none"> • Loss of key assets or services for an extended time period. • Longer term impact on operational efficiency or performance of the Council or crucial service areas • Financial loss, additional costs or loss of assets which would need a Council decision as the scale of the loss would be outside the Council’s budget & policy framework. • The risk would destabilise the Council in the short term. • The intended objectives are unlikely to be met leading to negative impact on the Council’s reputation and a significant number of complaints. • Will lead to attention for regulators and External Auditors for a significant time. • Major accident/injuries (but not life-threatening)
2	Moderate/ Disruptive	<p>The consequence is sufficient to require attention by Leadership Team and cannot be managed within a Service Area</p> <ul style="list-style-type: none"> • Significant loss, delay, or interruption to a service. • Medium term impact on operational efficiency or performance • Financial loss, additional costs or loss of assets that is within the Council’s budget & policy framework but needs a Statutory Officer decision, Leadership Team decision, Cabinet decision or needs to be drawn to Cabinet’s attention. • The risk will cause some elements of the objective to be delayed or not achieved, causing potential damage to the organisation’s reputation. • May attract medium to short term attention of legislative or regulatory bodies. • Significant complaints • Serious accident / injury (but not life threatening)
1	Minor/Non-Disruptive	<p>The consequences can be dealt with as part of the normal day-to-day business by the Team Manager and the Head of Service:</p> <ul style="list-style-type: none"> • Minor loss, delay, or interruption to services • Short term impact on operational efficiency or performance • Negligible financial loss • The risk will not substantively impede the achievement of the objective, causing minimal damage to the organisation’s reputation. • No or minimal external interest. • Isolated complaints • Minor accident / injury

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